The construction and operationalisation of NGO accountability: Directing Dutch governmentally funded NGOs towards quality improvement

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CHAPTER 10: SUMMARY AND DISCUSSION

10.1 Introduction

The purpose of this chapter is to consider the analysis in the previous four chapters, in light of the two research questions outlined in section 1.2. The chapter is divided into two sections. The first section provides a summary and interpretation of the findings regarding the construction and operationalisation of NGO accountability. It reintroduces the two research questions and discusses how the analysis presented in chapters 6 to 9 answers these research questions drawing on the governmentality framework (outlined in section 3.3). The second section discusses key implications for the NGO accountability and governmentality literatures arising from the analysis of the findings.

10.2 Summary and interpretation of findings

The findings presented in chapters 6 to 9 sought to answer the following two research questions:

1. How has accountability been constructed in the relationship between Dutch development NGOs and their primary governmental funder over the period from the mid-1960s to 2012?
2. How do NGO managers perceive the operationalisation of accountability technologies in the current Dutch governmental funding scheme for NGOs?

The analysis in chapters 6 to 8 focused on answering the first research question. These chapters traced the process of the construction of NGO accountability by drawing on the theoretical notions of rationalities, programmes and technologies of government (outlined in section 3.3). Chapter 9 focused on answering the second research question by analysing NGO managers’ perceptions regarding the operationalisation of accountability technologies introduced in the MFS2 funding scheme, which was effective from 2011 onwards.
10.2.1 The construction of NGO accountability – Research Question 1

Chapter 6 discussed how and why the Dutch government started to co-finance private development NGOs in 1965. It traced the events which led to the initiation of the governmental co-financing program, such as lobbying activities by missionary organisations, and discussed the nature of the first program. The initial co-financing scheme awarded funding based on the assessment and approval of individual project proposals submitted by NGOs. Shortly after the introduction of the co-financing program, this approach was adjusted, and the task of assessing and selecting project proposals was shifted towards the (then) three co-financing NGOs, ICCO, Cordaid, and Oxfam Novib; with funding being divided according to a fixed distribution of the budget available. The chapter proceeded to analyse how questions emerged amongst politicians regarding their ability to gain insight into and control of the behaviour and activities of NGOs participating in the co-financing program. This process, whereby insight into and control of co-financing NGOs was made to appear problematic, was interpreted as the initial problematisation which eventually led to the (current) conceptualisation of NGO accountability in the (MFS2) co-financing scheme. Following the suggestion by Miller and Rose (1990; Rose and Miller, 1992) that problematisations should be explored in terms of rationalities, programmes and technologies of government, the chapter discussed how the problems of insight and control were made thinkable and amenable for intervention through the construction of quality improvement as a rationale of government – representing the broader ideal to which the government of co-financing NGOs should be directed. This ideal was unpacked by linking it to broad notions of effectiveness and efficiency, with the purpose of development cooperation being defined as working towards social and economic development.

In order to direct co-financing NGO towards quality improvement, the Dutch Ministry of Foreign Affairs sought to shape, guide and affect the behaviour and activities of co-financing NGOs by constructing them into measureable, manageable and transformable objects. They tried to achieve this by introducing an implicit programme of government. Initially, in the late 1960s, there was a lack of explicit programmatic aims underpinning this programme due to the perceived absence of available mechanisms for assessing the effectiveness and efficiency of development cooperation efforts. Rather than translating the nascent programme into more specific technologies of government, two accountability technologies, annual reporting (limited to providing a brief overview of the nature of and expenditures on projects)
and project proposals, were introduced on an ad hoc basis. Chapter 6 concluded with a
discussion of how programmatic aims were made explicit in the early 1970s in two key
conferences attended by governmental officials and NGO managers. These explicit
programmatic aims comprised: *formulating clear and realistic projects* (that were aligned
with the perceptions of developing countries); and *clearly defining the costs, scope and
timeframe of projects*. These aims were linked to the existing accountability technologies of
annual reporting and project proposals and to two newly introduced technologies: project
evaluations and broadly based programme evaluations.

Chapter 7 proceeded to analyse the emergence of a desire amongst NGOs to shift from
*project* financing to *programme* financing. They felt that this would allow them greater
flexibility in determining and executing their strategies due to the absence of a requirement
for individual project proposal approval by the Ministry. In this shift, the Ministry became
more dependent on ex-post accountability to enable them to govern co-financing NGOs from
an increased distance. This was reflected in the reconceptualisation of the programmatic aims
underpinning the programme of government in the late 1970s. A new programmatic aim of
*retrospective oversight on a policy level* was introduced. The aim of retrospective oversight
involved assessing on an ex-post basis whether co-financing NGO behaviour and activities
were in line with the co-financing program criteria set by the Ministry. Subsequently, the
chapter analysed the accountability technologies linked to this programmatic aim, which
included more extensive annual reporting (on policies for the selection and approval of
projects), more specifically defined programme evaluations, and external inspections of
projects undertaken by NGOs’ counterparts.

The second part of Chapter 7 focused on the influence on the co-financing program of
increased public scrutiny of NGOs and their accountability, which emerged internationally in
the late 1980s and early 1990s. It analysed how this increased scrutiny led to a
reconceptualisation of the rationale of quality improvement which now encompassed a core
ideal of *working towards structural (sustainable) poverty reduction* rather than the broader
ideal of social and economic development. In order to work towards this reconceived notion
of quality improvement, the programmatic aim of retrospective oversight on a policy level
was unpacked into more specific aims focused on: cost consciousness, increased
professionalisation; and increased cooperation. Rather than immediately linking these
programmatic aims to required new or adjusted accountability technologies, the co-financing
NGOs were allowed the flexibility to reorganise in order to adjust their administrative organisations to improve the efficiency and effectiveness of their operations.

Chapter 8 proceeded with the analysis of the evolution of the co-financing program from the late 1990s onwards. It demonstrated how and why a more systematic approach to funding development NGOs emerged (termed MFP-Breed) underpinned by two adjusted programmatic aims: *competition for funding, and a focus on making results visible* (underpinning an explicit aim of *improved accountability*). The programmatic aim of competition for funding was articulated in the shift towards providing co-financing money to NGOs through a competitive, open funding application process. The focus on making results visible was articulated in an increased emphasis on ex-post accountability technologies, such as ongoing monitoring. While these programmatic aims were introduced in the shift towards the MFP-Breed funding scheme in the early 2000s, they remained relevant in the subsequent funding schemes, MFS1 (2007-2010) and MFS2 (2011-2015). The chapter continued by discussing how in each of the three funding schemes these adjusted programmatic aims were operationalised through accountability technologies embracing the existing technologies of annual reporting, programme evaluations, external inspections, and two additional technologies - funding proposals and monitoring. Whilst these accountability technologies were maintained through the three funding schemes in the 2000s, their nature became increasingly inflexible over time. Whilst monitoring had a tailor-made character in MFS1, it was based on *predefined* result indicators in MFS2, and whilst (programme) evaluations under MFS1 were comparable to the situation prior to MFS1 (involving limited guidance by the Ministry), they became more demanding in MFS2, involving, inter alia, the development of baseline measures by NGOs prior to intervention.

**10.2.2 Operationalisation of accountability technologies – Research Question 2**

Chapter 9 addressed the second research question. It firstly demonstrated how NGO managers who had adopted the accountability technologies introduced in the most recent governmental funding scheme (MFS2) had initially perceived them positively given their underlying programmatic aims. These aims were perceived as potentially enabling as they seemed to offer the promise of improving the quality of NGO work by offering a much better
insight into NGO processes and the effectiveness of their interventions. These positive perceptions did not however prevail in discussions surrounding the actual operationalisation of the MFS2 accountability technologies. Here, the technologies were often perceived as problematic and as interfering too much with NGOs’ organisational autonomy and mission, thereby sometimes threatening NGO learning by incentivising NGOs to overemphasise successes and ignore failures. Moreover, the newly introduced funding application procedure, which required NGOs to produce detailed funding proposals in order to enable competition for funding, was seen as creating ‘fake certainties’, since the complex reality of development cooperation was often not taken into consideration.

Chapter 9 analysed how three co-financing NGOs, ICCO, Cordaid and Hivos, developed strategies in order to prevent drifting away from their organisational missions and directly imposing the more inflexible accountability demands within MFS2 on their counterparts. It discussed how the NGOs attempted to operate as a buffer between the MFS2 accountability requirements and their counterparts by translating or linking their own approach to accountability (suited to their counterparts’ requirements) to the Ministry’s requirements. Despite their ability to operate as a buffer, some managers, particularly those working in ICCO, indicated that they perceived a looming threat of mission drift, which had forced them to rethink their organisational approach to accountability and to consider whether the (perceived) benefits of accountability still outweighed the costs. The significance of the costs associated with accountability was indicated by an independent evaluation of the MFS2 application procedure, which estimated that large NGOs would have to invest around 19 full-time equivalent (fte) on the preparation of their funding application (Actal, 2011).

10.3 Empirical and theoretical implications of findings

The analysis of the findings of this study (presented in chapters 6 to 9) resulted in several empirical and theoretical implications. These are discussed in this section.
10.3.1 Competition as a programmatic *aim of* accountability as opposed to a *cause of* accountability

This study emphasises how accountability played a central role in aiming to direct and guide, i.e. govern, NGO behaviour and activities. By unveiling a programme of government in depth as it emerged, focusing on the (shifting) programmatic aims embedded within the programme, the study demonstrates how accountability was enrolled to direct the co-financing NGOs by introducing aims focused on cost consciousness, increased professionalisation, and increased cooperation in the early 1990s (section 7.3.3), and competition for funding and a focus on results (as part of improved accountability) in the 2000s (section 8.3.2).

The later programmatic aim of competition for funding is of specific interest, since prior literature often perceives competition amongst NGOs for public funds as an *explanation* for the increased attention to NGO accountability that emerged in the 1990s (O’Dwyer, 2007; O'Dwyer and Unerman, 2008). For example, O’Dwyer and Unerman (2008) in their study of Amnesty Ireland found that increased attention to accountability *resulted from* increased competition for public funds. However, by interpreting the findings on the evolution of accountability in the co-financing program through a governmentality lens, this study reveals how competition for funding was actually introduced in the funding relationship between the Dutch Ministry and co-financing NGOs as an *objective* of accountability. With the introduction of the MFP-Breed funding scheme in the early 2000s co-financing NGOs were required to apply for funding through an open, competitive tendering process. Competition for funding through this process was introduced as a programmatic aim in order to address the concerns amongst politicians regarding the power (and potential unaccountability) of the four co-financing NGOs. Competition between NGOs was assumed to increase their accountability for their effectiveness and efficiency and thereby assist in achieving the quality improvement ideal. A ‘new’ ex-ante accountability technology in the form of specific funding proposals was introduced in order to operationalise this programmatic aim of competition for funding. From MFP-Breed onwards NGOs were required to submit detailed funding proposals in order to be eligible for funding in the co-financing program.
10.3.2 Criticism constitutive of the government of NGOs

A number of authors have argued (Boyce and Davids, 2004; O'Malley et al., 1997) that resistance and criticism are largely absent from studies of governmentality when they should be an essential aspect of any study of governmentality. Governing the behaviour and activities of individuals and groups is, according to O’Malley et al., (1997) ‘a site of struggle and contestation in which outcomes cannot be predicted with any certainty’ (Boyce and Davids, 2004, p. 21). Additionally, it is argued that struggle and contestation should not only be interpreted as a manifestation of government, they can also be constitutive of government:

It is the “deployment of resources, tactics and strategies” in this context of struggle that is central to governmentality. Between governmentality there is a “reciprocal appeal, a perpetual linking and perpetual reversal” (Foucault, 1982, p. 794, cited in Boyce and Davids, 2004, p. 21)

In adopting the three analytical dimensions of rationalities, programmes and technologies of government, this study is relatively unique in clearly demonstrating how criticism was central to the development of programmatic aims and the operationalisation of accountability technologies.

Criticism was found to be constitutive of government in the longitudinal analysis of the changing programmatic aims. A key characteristic of the theoretical dimension of programmes is their eternally optimistic nature (section 3.3.4). This eternally optimistic nature suggests that programmes are always confronted with alternative programmatic aims that are assumed to work towards ideals (or rationales) in different, improved ways. As suggested in the theoretical framing and demonstrated in the empirical findings, these alternatives are often put forward in evaluations of current policies which can be initiated by the governing authority, the governed, or independent ‘experts’. Experts, i.e. accredited individuals or organisations that are perceived to be neutral, skilful and operating according to an ethical code of conduct, are most commonly discussed in the governmentality literature in relation to technologies of government (section 3.3.5). While expertise in these studies is perceived to be important for providing support to introduced technologies, this study demonstrates how experts can also be important in the assessment of the functioning of introduced technologies and in the recommendation and acceptance of alternative programmatic aims.
In this study, two shifts in programmatic aims occurred in which resistance and criticism were clearly constitutive. First, in the early 1990s, the audit performed by the court of audit of the Dutch government (the Rekenkamer) and a study performed by a group of politicians and academics (initiated by the co-financing NGOs), resulted in the programmatic shift towards the aims of cost consciousness, increased professionalisation, and increased cooperation (see section 7.3.3). These two studies put forward criticism regarding the insight offered by existing accountability technologies into the relationship between the costs and benefits of projects and financial management within counterparts, the external influences on NGO activities and the effectiveness of the co-financing program as a whole. The suggested alternative programmatic aims in these studies promised to work towards quality improvement in an improved manner by supporting the achievement of the intended effects of NGO activities, providing better insight into the relationship between costs and benefits and (external) effects of NGO activities, and were considered essential for policy development within the Ministry and for effective overall management of the co-financing program.

Additionally, the shift of programmatic aims towards competition for funding and the focus on making results visible in the early 2000s (see section 8.2.3) was highly influenced by criticism expressed by politicians in the House of Representatives and in an independent evaluation by the IOB. Politicians started criticising the nature of the relationship between the Ministry and co-financing NGOs. They were concerned about the power of the co-financing NGOs and their so-called ‘semi-monopoly’ position, and called for the introduction of a funding scheme which was, in principle, open to all Dutch development NGOs (see sections 8.2.1 and 8.2.3). The IOB evaluation, focused on evaluating whether existing accountability technologies in the early 2000s enabled the Ministry to direct co-financing organisations towards quality improvement, concluded that the accountability technologies in place were insufficient. The IOB recommended the incorporation of the programmatic aims of competition for funding and a focus on making results visible (underpinning improved accountability), thereby being constitutive of the government of co-financing NGOs.
10.3.3 Problematic aspects of accountability technologies

The analysis of the operationalisation of accountability technologies within co-financing NGOs makes visible important implications related to the *incentivising* and *reorientational* ability of technologies of government (Neu and Graham, 2006). These two aspects of accountability technologies were perceived as problematic within co-financing NGOs and resulted in the development of NGO strategies to avoid the transformation of the NGOs’ behaviour and activities through accountability technologies imposed upon them by the Ministry of Foreign Affairs.

Accountability technologies were found to be *incentivising* by enabling governance from a distance through incentives for NGOs to behave according to the criteria set in the funding schemes. The incentivising aspects of accountability technologies became especially important from the 2000s onwards when co-financing NGOs had to apply for funding in an open tendering procedure. According to NGO managers, incentivising aspects of accountability technologies introduced in MFS2 were however perceived as interfering, since they could deny learning due to the incentives overemphasising success and ignoring failures. It was claimed that this led to the construction of so-called ‘fake certainties’, since NGOs, in applying for funding, were required to provide information about their planned activities for the coming five years. NGO managers argued that not all their activities and counterparts were known at the time of application but nonetheless they provided this information as best they could.

Additionally, accountability technologies were found to be *reorientational* in that they influenced the organisational structure, strategy and operations of NGOs, i.e. the accountability technologies introduced in the various funding schemes required NGOs to reorganise their administrative organisations in order to comply with governmental criteria such as implementing specific monitoring and evaluation systems. Section 7.3.4 indicated how NGOs reorganised in order to work towards the changed programmatic aims of cost consciousness, increased professionalisation and increased cooperation.

The analysis of the operationalisation of accountability technologies within co-financing NGOs demonstrated that the incentivising and reorientational abilities of accountability
technologies came to be perceived as increasingly problematic in MFS2, since it could potentially divert co-financing NGOs away from their organisational missions.

10.3.4 Avoiding the adoption of narrowly focused accountability

The analysis of NGO managers’ perceptions of the operationalisation of accountability technologies introduced in MFS2 reflected a growing acknowledgement within NGOs that solely relying on formal upward accountability technologies would not necessarily lead to the most effective and efficient deployment of development cooperation activities (O'Dwyer and Unerman, 2010). Prior to the increased attention to accountability emerging in the 1990s and the articulation of this increased attention in the co-financing funding schemes effective from the early 2000s onwards, co-financing NGOs did not perceive the governmental accountability demands as interfering with their organisational mission, due to the flexibility and autonomy offered to them. This perception however changed in the 2000s when co-financing NGOs faced demands for increasingly stringent and systematic accountability technologies. The increased attention to accountability itself was not perceived as problematic; the operationalisation of accountability in increasingly stringent and systematic technologies however, was.

The operationalisation of accountability was perceived as becoming burdensome and potentially diverting co-financing NGOs away from their mission, such as the alleviation of as many people as possible out of poverty. While O’Dwyer and Unerman (2010) have hinted at how NGOs have started to develop and operationalise forms of internal and downward accountability, this study provides additional evidence of how NGOs have adapted their internal information systems to resist increasingly stringent accountability technologies in order to (ideally) prevent mission drift. This occurred mainly by using (existing) internal accountability systems, based on NGOs’ own accountability requirements, and tailoring the information produced by these systems towards the governmental accountability requirements. This effectively created two accountability systems which operated in conjunction. The information fuelling these two ‘distinct’ accountability systems was however not gathered separately; information gathered from NGO counterparts was translated or linked to suit governmental accountability requirements in MFS2. This approach allowed NGOs to prioritise the demands of their counterparts and beneficiaries, thereby
avoiding imposing the increasingly stringent co-financing program accountability requirements upon their staff and counterparts.

10.4 Chapter summary

This chapter was structured into two sections. The first section provided a summary and discussion of how the findings presented in chapters 6 to 9 answered the two research questions outlined in section 1.2. It also discussed the conceptualisation of the findings by drawing on the governmentality framework adopted, focusing on the three distinct, but interrelated, notions of rationalities, programmes and technologies of government. The second section discussed some empirical and theoretical implications of the findings. This focused on: the development of competition as a programmatic aim of accountability as opposed to a cause of accountability; the constitutive role of criticism in the government of NGOs; the perceived problematic aspects of accountability technologies, and NGO efforts at avoiding the adoption of increasingly narrowly focused approaches to accountability. Chapter 11 now proceeds to offer several conclusions on the study.