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

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CHAPTER 11: CONCLUSION

11.1 Overview of the study

This study was motivated by a concern expressed by Dutch development NGOs regarding the increasingly stringent nature of accountability requirements introduced in their relationship with the Dutch Ministry of Foreign Affairs (Stuurgroep beleidsdialoog, 2008). While prior work on NGO accountability has primarily explored its current conceptualisation in various individual settings, few studies have focused on the broader (political) context within which demands for accountability have arisen (Ebrahim, 2009). Additionally, there are few studies addressing the perceived effects of proposed accountability solutions on the behaviour of NGOs. Studies that have directly focused on the effects of the operationalisation of accountability technologies within NGOs are: O’Dwyer and Unerman (2007; 2008; 2010) and Chenhall et al. (2010). This study sought to explore and understand the broader political context by investigating how and why NGO accountability was constructed over an extended period of time (from the mid-1960s to 2012) in The Netherlands, and by examining how NGO managers perceived the operationalisation of accountability technologies introduced in the most recent governmental funding scheme for Dutch development NGOs (MFS2). Hence, the study addressed 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?

To answer these questions, a qualitative methodological approach was adopted, incorporating extensive documentary analysis and semi-structured in-depth interviews with NGO managers. The documentary analysis mainly focused on governmental documentation published in the period from the mid-1960s to 2012. In-depth interviews were undertaken with NGO managers working in four different co-financing NGOs, i.e. ICCO, Cordaid, Oxfam Novib and Hivos. Additionally, two interviews took place with governmental officials from the
Ministry of Foreign Affairs. However, due to the lack of further access enabling greater depth of insights, these were not explicitly enrolled in this study. Nevertheless, combined with several informal meetings that took place with representatives from the national platform for Dutch civil society organisations in the international development cooperation sector (Partos), these two interviews informed the development of the interview questions for the NGO managers and assisted in the interpretation of the overall findings. In order to interpret and structure the findings, the concept of governmentality, as interpreted by Miller and Rose (1990; Rose and Miller, 1992), was adopted as a theoretical framework in order to illuminate the emergence, evolution and operationalisation of accountability in the relationship between the Ministry of Foreign Affairs and co-financing NGOs.

Governmentality was introduced by Foucault as a way of describing a certain mentality that, he argued, had become the foundation of all modern forms of political thought and action. The concept builds on the idea that individuals and groups, through calculative technologies such as accounting, can be transformed into measurable, manageable and transformable objects, which facilitates shaping and directing their behaviour and activities in order to achieve certain desired ends. This study enrolled a governmentality framing drawing on Miller and Rose (1990; Rose and Miller, 1992), who combined concepts sketched out by Foucault with ideas and concepts they developed themselves or borrowed from elsewhere. This resulted in a theoretical framework that involves examining how problematic conduct is revealed, made thinkable and made amenable for intervention. This (dynamic and continuous) problematisation process from the construction of problems to interventions aimed at solving them was analysed by focusing on three distinct, but interrelated, theoretical dimensions: rationalities of government (the ideals to which it is deemed government should be directed); programmes of government (the programmatic approaches aimed at configuring behaviour in ways aimed at achieving the ideals embedded in rationalities); and technologies of government (the practical mechanisms used to operationalise the aims embedded in programmes).
11.2 Research findings

The case narrative traces the emergence and evolution of accountability as part of a programme of government, with shifting programmatic aims, and the operationalisation of related accountability technologies that, on a practical level, sought to direct and steer the behaviour and activities of co-financing NGOs. This involved an in-depth analysis of: 1. the nature of accountability as it emerged in political discourse and, 2. the mobilisation of accountability technologies within governmental co-financing schemes over a time period spanning the mid-1960s to 2012.

First, the narrative explored why and how the Dutch government started to co-finance private development NGOs in 1965 by tracking the events which led to the initiation of the governmental co-financing scheme. It illustrated how insight into and control of co-financing NGOs was problematised in the late 1960s. This led to the emergence of quality improvement as a rationale of government to which the government of co-financing NGOs should be directed. This rationale was accompanied by implicit programmatic aims and limited accountability technologies (annual reports and formal project proposals) seeking to link the emerging programme and underlying rationale of quality improvement with forms of action.

Second, the findings unveiled how project financing was replaced by programme financing in the 1980s with an explicit programmatic aim of retrospective oversight on a policy level being introduced. This aim was operationalised through accountability technologies comprising more extensive annual reporting, programme evaluations and external inspections of NGO counterpart activities. The rationale of quality improvement was unpacked to place a key focus on the ideal of structural (sustainable) poverty reduction while more specific programmatic aims focused on cost consciousness, increased professionalisation and increased cooperation emerged. Co-financing NGOs were left free to reorganise their internal administrations in order to work towards achieving these aims.

Third, the analysis illustrated how and why a more systematic approach to co-financing development NGOs emerged in the 2000s (termed MFP-Breed). This was underpinned by two key programmatic aims: competition for funding and improved accountability (with a core focus on making results visible). These aims remained central to the two subsequent
funding schemes, MFS1 (2007-2010) and MFS2 (2011-2015), and were operationalised through accountability technologies comprising existing technologies of annual reporting, programme evaluations, external inspections, and two additional technologies - funding proposals and monitoring. Whilst these accountability technologies were retained throughout the three funding schemes existing in the 2000s, their requirements became increasingly inflexible over time.

Fourth, the narrative illustrated how NGO managers who had to adopt the accountability technologies introduced in the most recent governmental funding scheme (MFS2) perceived the programmatic aims underpinning the approach to accountability in this scheme as potentially enabling. These positive perceptions were not, however, prevalent in discussions surrounding the operationalisation of the MFS2 accountability technologies. These technologies were often perceived as interfering too much with NGOs’ organisational autonomy and mission, thereby sometimes threatening learning and incentivising NGOs to overemphasise successes and ignore failures.

Fifth, it was shown how three co-financing NGOs, i.e. ICCO, Cordaid and Hivos, developed strategies in order to prevent moving away from their organisational missions and directly passing on inflexible accountability demands to their counterparts. These NGOs attempted to operate as a buffer between the MFS2 accountability technology requirements and their counterparts by translating or linking their own approach to accountability to the Ministry’s requirements. Some managers however asserted that the threat of mission drift had forced them to rethink their organisational approach to accountability and to question whether the benefits of more accountability still outweighed the costs.

11.3 Research contributions

This section restates the proposed contributions arising from this research initially outlined in section 1.5. As with section 1.5, the first part of this section outlines the proposed empirical contributions to the NGO accountability literature while the second part outlines the proposed theoretical contributions to the governmentality literature.
11.3.1 Empirical contributions to the NGO accountability field

First, few studies on NGO accountability have specifically focused on the broader political context in which accountability demands have arisen (Ebrahim, 2009). This study contributes by examining the construction of accountability in the relationship between NGOs and a governmental funder over an extended period of time, thereby providing a more in-depth understanding of shifts in an NGO-funder accountability relationship and the extent to which NGOs feel influenced by accountability requirements introduced by (governmental) funders. This focus specifically addresses calls in the accounting literature for more research of this nature (O'Dwyer and Unerman, 2007).

Second, few studies have focused on better understanding the effects of proposed accountability solutions on the behaviour of NGOs (Ebrahim, 2009). This research makes a unique empirical contribution by investigating NGO managers’ perceptions of introduced accountability approaches and the perceived effect of more stringent accountability requirements on the vision and mission of their organisations. In doing so, it addresses calls for empirical scrutiny of ‘supposed accountability solutions’ (Ebrahim, 2009) in order to better understand the effects of various approaches to accountability on the behaviour of NGOs and the extent to which increased demands for NGO accountability have ‘actually led to better accountability’ (Ebrahim, 2009, p. 900, emphasis added).

Third, this study examined a specific context in which NGOs have become increasingly dependent on demonstrating their ability to deliver (quantitatively) measurable results in an effective and efficient manner in order to maintain funding and secure their existence. It demonstrates how NGOs managed the potential conflict between securing governmental funding and working towards their organisational missions by trying to influence governmental accountability requirements or adapting them into an organisational approach to accountability considered to be more consistent with working towards their organisational missions. This contributes to the NGO accountability literature, since it provides an enhanced understanding of the increasing necessity for NGOs to manage potential conflicts between accountability for values and mission and accountability aimed at maintaining (governmental) funding (Chenhall et al., 2010). It also provides a more in-depth insight into the relationship between the (perceived) benefits (such as increased control and efficiency) and costs (such as
‘misused’ funds and mission drift), of introduced accountability technologies (Rahaman et al., 2010).

### 11.3.2 Theoretical contributions to governmentality studies

In addition to the empirical contributions outlined above, this study also provides several theoretical contributions to the governmentality literature.

First, in terms of the literature on governmentality, no prior work has specifically used a governmentality framing to analyse the emergence of accountability in NGO settings. This study is unique in that it provides a ‘genealogy’ of NGO accountability by tracking the development of accountability in the relationship between the Dutch Ministry of Foreign Affairs and Dutch development NGOs. In examining the problematisation of NGO accountability over time, the study reveals the ideals underpinning the emergence of concerns for NGO accountability (rationalities of government), the more specific approaches to NGO accountability (programmes of government), and the implementation of NGO accountability mechanisms (accountability technologies). While previous studies of accounting and accountability have adopted a similar theoretical framing (Radcliffe, 1998; Radcliffe, 1999), the majority of these studies focus on the technological aspects of accounting by conceptualising and analysing accounting as a technology of government while rarely examining the rationalities and programmes underpinning these technologies (Rahaman et al., 2010; Dean and Graham, 2004; Neu and Heincke, 2004; Neu, 2000a; Neu, 2000b). Due to its longitudinal focus, this study demonstrates how accountability was constructed within a programme of government, thereby providing a better understanding of how programmatic aims can shift over time. Additionally, the analysis of programmatic aims embedded in the programme of government demonstrates how resistance and criticism can be constitutive of government, i.e. criticism on adopted programmatic aims and implemented accountability technologies articulated in (external) evaluations conducted by NGOs and government agencies was important in the development of adjusted programmatic aims.

Second, this study focuses on the perceived enactment of accountability technologies within NGOs. This is considered important, since it has been argued that it makes no sense to study abstract rationalities, programmes and technologies without analysing how technologies are
operationalised in practice (Petersen, 2003; Garland, 1997; O'Malley et al., 1997). This study discusses how managers from different Dutch governmentally funded development NGOs experienced the increasingly inflexible accountability technologies introduced in the most recent co-financing scheme (MFS2). Additionally, this study analyses the consequences of the operationalisation of apparent accountability solutions within three large Dutch NGOs. The findings provide a better understanding of what Miller and Rose (1990; Rose and Miller, 1992) term the continuously failing nature of government, which implies that constructed programmatic aims (and technologies) are always confronted with alternative, better, ways to direct individuals and groups towards desirable ends. It thereby demonstrates the difficulties of ‘programming’ the world by analysing the discrepancy between the ideals of the Ministry of Foreign Affairs as translated in their preferred accountability technologies and the effects and outcomes of these technologies at the organisational level of NGOs.

Third, in examining how the three Dutch development NGOs adapted to and sometimes resisted efforts to govern them, this study addresses O’Malley et al.’s (1997) complaint that ‘necessary’ elements of resistance and criticism are often absent from governmentality studies. The analysis of the operationalisation of accountability technologies within the three NGOs demonstrates how they, due to increasing concerns about possible mission drift, started to develop strategies that allowed them to comply with the stringent accountability technologies imposed upon them by the Ministry without significantly altering their activities and behaviour. The NGOs sought to maintain a focus on their organisational mission and to preserve the autonomy of their counterparts by not directly passing on the Ministry’s accountability requirements. This illustrates that whilst ‘formally’ the Ministry appears able to direct the behaviour and activities of NGOs, since the NGOs complied with the MSF2 accountability requirements; in practice, NGOs developed strategies that have allowed them to translate or link the information they considered to be relevant into the governmental accountability demands, thereby avoiding changing their behaviour and activities. The findings thereby provide more insight into the largely underdeveloped elements of resistance and criticism within work on governmentality.
11.3.3 Practical implications

In addition to the empirical and theoretical contributions, this study offers some practical insights for a wide range of (development) NGOs and their (governmental) funders. It provides them with a better understanding of the effects of accountability policies and shows that whilst ideals underlying accountability approaches can involve working towards more meaningful accountability, the translation of these ideals into increasingly narrow, functional and inflexible requirements can incentivise NGOs to seek to report short term and clearly demonstrable results. This approach may prevent NGOs from learning from their failures, and could thereby lead to less effective and efficient development cooperation. If the purpose of (governmental) funders is to ensure that NGOs are working towards certain broader ideals, such as structural (sustainable) poverty reduction, they should take into consideration that by imposing increasingly stringent accountability technologies, accountability can potentially become a means in itself rather than a way of influencing the behaviour and activities of NGOs. As this study demonstrates, NGOs started developing strategies that allowed them to comply with introduced accountability requirements (and maintain funding), without altering their organisations and thereby potentially not working towards the objectives considered desirable by the funder.

In terms of practical insight for (development) NGOs, this study demonstrates how accountability has evolved into a bureaucratic practice which can potentially divert them away from their mission, such as alleviating as much people as possible out of poverty. This study therefore recommends that (development) NGOs maintain a focus on their organisational missions and critically assess whether the benefits of accountability, i.e. providing them with better insights into their organisation and maintaining (governmental) funding, outweigh the costs of accountability, i.e. the time and resources spent on accountability instead of development work. The findings of this study indicate that some Dutch development NGOs such as ICCO have already started to alter the focus of their organisations in order to become less dependent on a single (governmental) funder and have started to seek alternative funding sources and ways of operating.
11.4 Limitations and future research

First, in examining the operationalisation of accountability technologies in the most recent MFS2 funding scheme, the analysis focuses on the perceptions of NGO managers. Due to the inability to gain (further) access to governmental officials within the Ministry of Foreign Affairs responsible for the development and execution of accountability technologies, the analysis pays no attention to the perspectives of these governmental officials. Future research could therefore seek out the perspectives of governmental officials, which would provide a better understanding of why certain approaches to accountability are adopted within governmental co-financing schemes.

Second, whilst this research examined the evolution and operationalisation of NGO accountability technologies, due to the focus on multiple technologies and their evolution over time, limited attention is afforded to the specific nature of individual technologies. In examining NGO managers’ perceptions regarding the operationalisation of accountability technologies in MFS2, some aspects of accountability technologies were addressed in more depth, but future research could consider undertaking a more fine-grained analysis of the nature and operationalisation of specific accountability technologies.

Third, although NGO managers indicate that they take into consideration counterparts’ and beneficiaries’ perceptions in developing their policies regarding the measurement of results, the views of these two groups are not incorporated in this study. Future research could therefore examine the extent to which counterparts and beneficiaries perceive that they actually have an influence over the accountability technologies adopted in their relationship with Northern donor NGOs.

Finally, whilst this study has been able to demonstrate how resistance and criticism were present, and to some extent constitutive, in the attempt of the Ministry of Foreign Affairs to govern co-financing NGOs, future research could examine the role of resistance and criticism in greater depth. Additionally, future research could further explore the implications of strategies adopted by individuals, groups or organisations that are being governed which aim to prevent their activities and behaviour being directed in certain ways. Strategies of resistance adopted by development NGOs to repel increasingly inflexible accountability requirements might prove a fruitful focus for such studies.