The Partnership Paradox
Principles and Practice in North-South NGO Relations

Willem Elbers
The Partnership Paradox
Principles and Practice in North-South NGO Relations

Een wetenschappelijke proeve
op het gebied van de Sociale Wetenschappen

Proefschrift

Ter verkrijging van de graad van doctor
aan de Radboud Universiteit Nijmegen
op gezag van de rector magnificus prof. mr. S.C.J.J. Kortmann,
volgens besluit van het college van decanen
in het openbaar te verdedigen op donderdag 19 januari 2012
om 10:30 uur precies

door

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geboren op 12 augustus 1977
te Nijmegen
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This study was supported by the Dutch Ministry of Foreign Affairs through the IS-Academy programme on ‘Civil society and Non Governmental Development Organisations’ and by ICCO.

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Acknowledgements

A period that spanned nearly five years of my life has come to an end. Thinking about that period and writing these words of thanks has brought back many memories. It made me realise once more how thoroughly I have enjoyed working on my PhD-research. While the process of getting one’s doctoral degree is in many ways a solo-exercise, it would not have been possible without the support of many people.

Special thanks go out to my promoters Ruerd Ruben, Bas Arts and co-promoter Lau Schulpen. Each of you had a different supervising style and something unique to contribute during the different phases of the research. Ruerd, your feedback not only helped me to improve the quality of my work, but I also learned a lot from you about the strategic aspects of academia, such as how to get articles published or to write and work with others. Moreover, I highly appreciate that you gave me the opportunity to do things ‘my way’ while remaining, at the same time, very much involved in my work and personal development. Bas, although we didn’t see each other that often, your involvement in my PhD-project has meant a great deal to me. Your comments were always helpful and every time I found our meetings to be enjoyable and energising. This was all the more the case because I could share with you my fascination with the elusive concept of power and my passion for music. Without doubt, I am most grateful to Lau Schulpen. Lau, over the years you have been a mentor. Your support consisted of much more than the knowledge you contributed or the feedback you gave on my ideas or papers. Since you became the supervisor of my Master’s thesis, you have always believed in me and, were it not for you, I probably would not have started this PhD-research. I hope you don’t mind that I wholeheartedly recommend you to other aspiring PhD-candidates and I look forward to continuing our cooperation in the future.

Although Luuk Knippenberg has not been an official supervisor, he nevertheless played a big role in this PhD-project. Luuk, I would really like to thank you for the countless discussions we had over the years and for your interest in me and my research. You fuelled my growing interest in the history, theory and philosophy of social science and I very much admire your extensive knowledge on these subjects. Special thanks also go out to my good friends Jelmer Kamstra and Peter Scholten, with whom I shared the many joys and burdens associated with doing a PhD. With a smile on my face, I recollect the countless Friday afternoons spent at the university pub after work, often together with Luuk, where we had spirited discussions about a wide variety of topics. Jelmer, we
had lots of fun over the years sharing the same room. While fate determined that you did not end up as one of my two ‘paranymphs’, I will always consider you as my third paranymph.

Many thanks go out to ICCO, Christian Aid and Action Aid for their willingness to participate in the research, provide logistical support and introduce me to their partners. Moreover, I am indebted to the many people I interviewed for making time for me, often despite busy agendas, and answering my numerous questions. This study would not have been possible without the support of the Dutch Ministry of Foreign Affairs who made the funds available under the ‘IS Academy on Civil Society’ programme. I would also like to thank the members of the Manuscript Committee, Paul Hoebink, Pieter Glasbergen and David Lewis for taking the time and effort to read and assess my thesis.

Harry Derksen, Bram van Leeuwen and Mart Hovens of ICCO deserve a special word of thanks for their personal involvement in the study and their feedback on drafts of my chapters. Mart in particular was a big source of support with his willingness to answer my endless questions about ICCO’s partnership philosophy and practices. I owe much of my knowledge regarding managerialism to André Kamstra while Michael Edwards and François Lenfant deserve a word of thanks for providing feedback on drafts of my work. For the design of the front and back cover of this dissertation, I would like to thank Raymon van Vught while John Peters deserves credits for the photo on the back cover. I am grateful to Andrew Smith for his English corrections and language suggestions.

I am greatly indebted to Kofi Opoku-Boateng and Surekha Talari, my research assistants in Ghana and India, who did much more than assisting me during my fieldwork. I really thank you for making me feel well looked after and I treasure the memories of the good times we shared. I am also indebted to Alexandra Tuinstra who did a superb job in collecting the Nicaragua-data and was a joy to work with. Without Pradeep Esteves my time in India wouldn’t have been so productive and enjoyable and for that he deserves my gratitude. Yaw Opoku has to be mentioned here as our friendship has been a key reason why I always have felt at home in Ghana and keep coming back to the country.

My PhD wouldn’t have been such a pleasurable experience if it hadn’t been for my colleagues at the CIDIN of whom many gave critical comments on earlier drafts of papers and chapter. Special thanks go to Anouka van Eerdewijk, Bart van Rijsbergen,
Acknowledgements

Celina del Felice, Dirk-Jan Koch, Edwin the Jong, Francien van Driel, Irene Nelissen, Jasmin van Beverwijk, Judith Westeneng, Leo Peters, Luuk van Kempen, Marieke van Houte, Oane Visser, Rik Habraken, Rob Visser, Roldan Muradian, Saskia Bergen, Sarah Kinsbergen, Therese Brolin, Thomas de Hoop, Tine Davids and Toon van Meijl. For much of what I have learned over the years about qualitative methodology, I have Hans Marks to thank. Theo van der Weegen was a great help during the analysis of the quantitative data while Wilbert Kruijsse assisted with drawing the boxplots.

Finally, there are those who are closest to me. Special thanks go out to my parents Wil and Betty Elbers. You have always encouraged me in everything I undertook with unrelenting faith. Furthermore, I am very much grateful for the unconditional love and support you offered throughout my life. I also would like to thank my sister Lieke Elbers and her partner Erik Maatkamp whom I feel privileged to have as my family. Above all, I want to thank Maaike Ensing for her patience, support and love. Maaike, you listened endlessly to my ideas and ‘insights’, gave me the space I needed and endured many evenings and weekends in which my PhD had priority over household chores and our ‘quality time’. You are a great source of happiness in my life and with you by my side, the future looks nothing but bright. I cannot express how much I love you.

Willem Elbers
Nijmegen, November 2011
General Introduction
Working in partnership is absolutely central to our approach. It is not only because we think solidarity is important, it is also because we believe that our partners are actors in their own right. I mean, to us they are not merely tools that allow us to achieve our goals. […] But the fact is that we have the money and that means that we always have some sort of power in our hands. So what we do is try to offset that power, you know, through our attitudes and our procedures (interview Country Officer Christian Aid, 5-5-2008).

1.1 Introduction

Partnerships between Northern and Southern NGOs, as a particular kind of inter-organisational collaboration, are a key feature of private development cooperation.1 Ideally, they reflect such values as equality, trust and reciprocity and foster the autonomy and organisational capacity of Southern NGOs (Fowler 1998, 2000a; Lister, 2000; Brehm, 2004). Over the years, however, Northern NGOs - or private aid agencies as they are also called - have been consistently criticised for failing to live up to the principles associated with partnership (Ashman, 2001; Lister, 2000; Fernando, 2007). Some critics have even argued that their relational practices are actually contrary to these principles (Hudock, 1995, 1999; Hately, 1997; Wallace et al., 2006). It is this (seeming) contradiction which is referred to in this dissertation as the partnership paradox. The partnership paradox is imperative to private aid agencies’ relevance and legitimacy because it touches upon their ability to achieve local ownership, their (perceived) unique ability to maintain ‘genuine’ partnerships compared to governmental donors and the alignment between their values and practices.

This study seeks to explain the partnership paradox. More specifically, it aims to clarify the gap between the principles and the practice of partnership and to shed light on the forces underlying this gap. In doing so it addresses some of the limitations of the existing literature on North-South NGO relations which has been struggling to explain the partnership paradox. Not only have studies thus far focused mainly on private aid agencies’ failure to live up to the principles of partnership, there has also been a tendency to overlook the room to manoeuvre of Southern NGOs. Furthermore, the

1 Following Vakil (1997: 260) this study views development NGOs as ‘self-governing, private, not-for-profit organisations that are geared to improving the quality of life for disadvantaged people’. This definition includes community-based or people’s organisations, as well as intermediary NGOs working with local communities. In addition, this thesis uses the basic distinction between ‘Northern NGO’, which refers to organisations whose origin lies in industrialised countries, and ‘Southern NGO’, which refers to organisations originating from developing countries.
literature to date has not been particularly clear with regard to the concrete mechanisms which produce and reproduce inequality in partnerships. Existing studies have also tended to take the ideal of partnership for granted, while largely overlooking its underlying premises. Empirically, this thesis utilises a comparative case study design, which includes the partnership approaches of three private aid agencies – Christian Aid, Interchurch Organisation for Development Cooperation (ICCO) and Action Aid - and their local partner organisations in India, Ghana and Nicaragua. For theoretical guidance, this dissertation draws upon different conceptualisations of power.

Overall, this thesis makes several contributions to the literature. First, it shows that the inequality that characterises partnerships is institutionalised in the rules that govern the relationship. Whereas the standard notion in the literature is that private aid agencies exercise their greater power directly by means of their control over funding, this thesis argues that in day-to-day affairs such power is in fact exerted indirectly by means of the rules governing partnerships. Southern NGOs have a range of strategies at their disposal to maintain or increase their room to manoeuvre, but the rules remain beyond their influence. Second, this study demonstrates that the practice of partnership is based upon a set of premises and values regarding the conditions under which private aid agencies can best contribute to development. In establishing the rules that regulate their partnerships, private aid agencies draw upon these premises and values for guidance, meaning and legitimacy. Third, this thesis shows that within the private aid channel two competing ‘institutional logics’ (sets of shared goals, values, beliefs and practices) exist that have contrary implications for the practice of partnership. While the first set, referred to in this study as the ‘social transformation logic’, pushes private aid agencies towards the ideal of partnership, the second set, referred to as the ‘managerial logic’, pulls them away from this ideal.

This chapter begins by identifying why partnership, as a specific form of inter-organisational collaboration between Northern and Southern NGOs, is considered to be important in the field of private development cooperation. Section 1.3 discusses the criticism that has emerged regarding the practice of partnership, particularly private aid agencies perceived inability to realise ‘genuine’ partnerships and the role that funding plays in this failure. Section 1.4 identifies the main limitations of the literature on North-South NGO relations as perceived in this study, particularly in its understanding of the partnership paradox. Section 1.5 outlines the objective and central research questions of this thesis. Section 1.6 discusses the main concepts (influence, strategic responses, rules and institutional logics) used in the analysis and clarifies why they are crucial to explaining the partnership paradox. Section 1.7 deals with the study’s
methodology: design and sampling, methods and data, analysis and validity. Finally, section 1.8 presents the outline of this thesis.

1.2 The rationale of partnership

‘Partnerships’ are widely acclaimed as being of central importance to development. The idea that successful development interventions require different groups of people and organisations has become so intrinsic to development thinking and practice that ‘everybody wants to be a partner with everyone, on everything, everywhere’ (Fowler, 2000c: 26). The notion of partnership is currently used to refer to all sorts of relationships between state, market and/or civil society actors aimed at promoting (sustainable) development (Glasbergen, 2007). These include cooperation between Northern and Southern NGOs, collaboration between individual companies and NGOs, relationships between donor and recipient governments and tri-sector initiatives combining the business and civil society sector with the government (Bäckstrand, 2006; Glasbergen & Miranda, 2003; Glasbergen, 2007; Brinkerhoff, 2002; Fowler, 1998).

This dissertation is about a particular kind of partnership, namely that between Northern and Southern NGOs in the field of international development cooperation. Much has been written about the ideal characteristics or principles associated with North-South NGO partnerships (e.g. Fowler 1998: 141, 2000b: 4-5; Lister, 2000: 229; Brehm, 2004: 17-19, Malhotra, 1997). Although no generally accepted definition exists, such partnerships are commonly associated with shared goals, mutual roles and responsibilities, shared governance, a long-term commitment for working together, an equitable distribution of costs and benefits, a shared responsibility for agreed outcomes, open dialogue and mutual accountability. Furthermore, writings about the ideal of North-South NGO partnership typically emphasise the need for respecting the autonomy of local partners, giving them right to set the final agenda for their own work and providing capacity building and flexible funding to foster their autonomy and capacity. Finally, ‘genuine’ partnerships are thought to be rooted in the values of equality, trust, reciprocity and mutual respect.

2 Different interests and beliefs underlie the various partnership types. The enthusiasm for inter-sectoral partnerships, for example, is typically associated with the neo-liberal emphasis on a less central role for the state and a stronger involvement of private parties in tackling societal problems (Glasbergen, 2007). Inter-governmental partnerships, amongst other things, are based on the idea that a shift from conditionality to ownership improves the efficiency of budget support mechanisms (Unwin, 2005: 23).
In the late 1980s private aid agencies embraced the notion of partnership both as a particular strategy to achieve their goals and as a way to structure their relations with Southern counterparts (Brehm, 2004: 7; Mawdsley et al, 2002: 165; Harrison, 2007: 398; Biekart, 1999). In this period, private aid agencies widely adopted a set of ideas about development – often referred to as ‘people centred’ or ‘alternative’ development – that put local people and their organisations at the centre of development processes (see Lewis & Kanji, 2009). At that time, many private agencies worked mainly with expatriate staff and implemented their own development projects. In the light of the ‘new’ development philosophy, but also because in many Southern countries an increasingly capable local NGO-community was emerging, this way of working was increasingly seen as inappropriate. Amongst other things, the alternative development philosophy implied a specific kind of North-South NGO relations – partnership - that was rooted in solidarity and attached much importance to the autonomy and organisational capacity of Southern NGOs, which were considered to be essential for achieving ownership (Biekart, 1999; Harrison, 2007; Fowler, 2000b). At the end of the 1990s, most private aid agencies were no longer operational themselves and considered working in partnership with Southern NGOs as integral to their developmental approach (Lewis, 1998: 503-504; Nyamugasira, 1998; Brehm, 2004: 30).

The literature provides a number of reasons why North-South NGO partnerships (from here onwards referred to as ‘partnerships’) are considered important: (1) enhanced performance, (2) added value for private aid agencies in the international aid system, (3) expression of private aid agencies’ values and civic identity. First, partnership - as a particular kind of relation in which Northern NGOs relinquish a degree of control to their Southern counterparts - is perceived to be crucial for aid performance. An idea which is widely shared within the field of international development is that initiatives imposed from the outside often fail to gain the same traction as those that have emerged locally on the basis of local priorities. As such, development interventions are considered to be more sustainable and effective if they are initiated and driven by local people and their organisations (Wallace et al., 2006: 42; Kanbur and Squire 2001: 215; Evans, 2004: 38; 3 A number of private aid agencies already worked with local counterpart organisations since the early 1970s, although at that time the terminology of partnership was not yet used to describe North-South NGO relations. 4 While there is agreement in the literature that private aid agencies have widely moved towards a partnership approach, representative statistics are absent. Biekart (1999: 72) points to regional differences and argues that European and Canadian private aid agencies have historically attached more importance to solidarity-based partnerships than US-based ones. Furthermore, there are differences between private aid agencies’ perspective on partnership. Brehm (2004: 13) found that private aid agencies that had traditionally been implementing projects themselves had a more functional view of partnership than those with a longer history of working in partnership.)
Hately, 1997: 8; Abrahamsen, 2004: 1455). To realise ownership, a particular kind of inter-organisational collaboration is required in which private aid agencies give Southern NGOs sufficient operational space: partnership (Harrison, 2007; Hudock, 1999: 31). From this perspective, partnership is perceived as a response to the shortcomings associated with the top-down and blueprint oriented development aid that characterised earlier eras (Fowler, 2000a: 5; Abrahamsen, 2004: 1453-1454).

Second, private aid agencies derive part of their added value in the international aid system from their (perceived) unique ability to maintain ‘genuine’ partnerships. Being able to build and maintain high quality relations with Southern NGOs is seen to distinguish private aid agencies from official donors and make them more than mere intermediaries of governmental subsidies. Due to their (shared) civic values and roots, private aid agencies are thought to be better able than official donors to relate to Southern NGOs, achieve local ownership, provide tailor made capacity building support and achieve equitable and long-term relations based on a shared mission and vision (Fowler, 1991: 11; Biekart, 1999: 62; Fernando, 2007: 2). Less acknowledged is the fact that private aid agencies, since they stopped implementing themselves, have had no other choice than to work with Southern NGOs to achieve their mission and secure their survival (Fowler, 1991: 13).

Third, for most private aid agencies partnerships have an intrinsic value that is inseparably related to their (civic) values and identity. As part of their mission for social justice, many private aid agencies perceive partnership as an expression of solidarity while values like equality, trust and reciprocity reflect the aspiration to enter into relationships that go beyond financial aid (Lap, 1997: 292). From this perspective, development cooperation is not about fighting somebody else’s battle or about pity or charity but about people in different parts of the world fighting together in the face of injustice (Manji & O’Coill, 2002; Fowler, 1998: 141). The value-base underlying partnerships often manifest itself in a preference for ‘natural partners’, which are organisations with a similar background and identity. For most faith-based private aid agencies, for example,

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5 This idea, at least on paper, is also shared by bilateral and multilateral donors. For example, ownership is one of the five core principles of the ‘Paris Declaration’, a set of agreements to which international donors committed themselves in 2005 to improve aid effectiveness.

6 The term ‘official’ aid is generally used to refer to the aid provided by donor governments and multi-lateral institutions like the World Bank or the UNDP to poor countries. For an overview of (the limitations of) different definitions of development aid, see Riddel (2007: 17-21).

7 This kind of argumentation is closely related to the so-called ‘articles of faith’ (see Tendler, 1982: 3-7), which consist of a list of unique qualities attributed to development NGOs. These unique qualities are said to give development NGOs a comparative advantage compared to official donors. For a critical review of the articles of faith, see Tvedt (1998: 128-165).
the idea of partnership expresses the solidarity that exists between Christians in different parts of the world. Collaborating with natural partners is important to private aid agencies as it helps to confirm their identity through a process of like-minded reinforcement (Fowler, 1991: 11).

1.3 Criticism on partnership

The debate on partnership is dominated by criticism of private aid agencies’ (in)ability to live up to their aspirations for ideal partnership. Overall, partnerships have often been depicted as relations that in reality are top-down rather than bottom-up and characterised by conditionality instead of ownership, control rather than trust and dependence rather than autonomy. To begin with, it has been argued that private aid agencies’ policy objectives are more aligned with constantly changing donor ‘fashions’ than local priorities and situational specificity (Mawdsley et al., 2002; Fowler, 2000b: 4). Not only are these policy objectives criticised for being established with little or no ‘Southern’ input (Lister, 2001), private aid agencies are also said to impose their preferences during the design and implementation of projects (Fowler, 1998; Lister, 2000; Michael, 2004) and interfere in the internal affairs of Southern NGOs (Brehm, 2004: 25). Another strand of criticism has focused on the ‘rational’ management practices that private aid agencies enforce upon their partners in such fields as planning, monitoring, financial management and performance measurement. These practices are said to be contrary to participatory development approaches and begin from positions of distrust rather than of trust (Bornstein, 2003, 2006; Wallace et al., 2006; Mawdsley et al., 2002). Moreover, it has been argued that capacity building, in which such management practices are often promoted, primarily serves the accountability needs of private aid agencies rather than the priorities of local partners (James, 2001: 9). Contrary to the importance attached to ownership and local autonomy, private aid agencies have been reported to refrain from offering long-term and flexible core funding arrangements (Mawdsley et al., 2002; Wallace et al., 2006; Michael, 2004). Finally, accountability in partnerships has been identified as primarily ‘upward’ - from Southern to Northern NGOs - rather than reciprocal or downwards (Malhotra, 1997: 44; Bornstein, 2003; Ashman, 2001; Fowler, 2000b: 2).

Financial dependence has been identified as lying at the heart of the discrepancy between the principles associated with the ideal of partnership and the actual practice (Michael, 2004: 22; Hately, 1997: 23; Lister, 2000: 229). On the one hand, partnerships are
mutually dependent relationships in the sense that both parties need each other to achieve their objectives. Local organisations require financial resources to pursue their mission and private aid agencies need credible and reputable Southern partners to implement development interventions, produce information that demonstrates their success and legitimise their existence (Ebrahim, 2002, 2005). On the other hand, this mutual dependence does not generate equal leverage in practice. For many Southern NGOs, the lack of local fund raising opportunities, the abundance of ‘competitors’ and the relative scarcity of funding agencies means that there are major consequences if they lose their funding (Markowitz & Tice, 2002; Lap, 1997). Due to the funding involved, partnerships are said to automatically assume the characteristics of donor-recipient relations in which private aid agencies have far greater power than their partners (Hudock, 1995; Lister, 2000: 229). In that sense, it is not surprising that many Southern NGOs talk about their ‘donors’ instead of ‘partners’ while viewing their ‘partnership’ mainly in terms of the transfer of resources (Lewis, 1998: 504).8

Several studies have shown that the inequalities within partnerships are intrinsic to the nature of so-called aid chains. Aid chains can be understood as the series of links through which aid flows on its way from donors to recipients (Biekart, 1999: 79). The funds that flow down aid chains, typically originating from bilateral and multilateral donors via private aid agencies to Southern NGOs, tend to be accompanied by a range of conditions (Bornstein, 2003: 396; Bornstein, 2006: 52). As funding conditions are passed down the aid chain, the conditions that Southern NGOs have to meet in their relations with private aid agencies often replicate the original conditions for governmental funding. This links the inequalities within partnerships to official donor policy and the pressures experienced by bilateral and multilateral donors to demonstrate an economic ‘bang for their buck’. Since the late 1990s, funding conditions in the private aid channel have become progressively more rigid and demanding due to an increasing emphasis on demonstrating tangible results and transparency (Nelson, 2006: 709; Overton & Storey, 2004: 43). Biekart (1999: 82) argues that the more private aid agencies depend on governmental subsidies, the more their relations with Southern partners are likely to be affected by back donor policies.9

Given the extensive criticism of partnership, there have been repeated calls in the literature to do away with the term altogether, although private aid agencies continue

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8 This illustrates that in many cases partnership is above all an aspiration of private aid agencies.
9 The phrase ‘back donor’ denotes those source(s) of private aid agencies’ funding that do not come from public donation. Often, but not necessarily, back donors are government ministries, departments or specialist agencies.
to utilise it. Partnership is considered to be a particularly problematic term because ‘the language of equality’ is said to obscure and even deny the reality of North-South NGO relations. It has even been argued that the term partnership is deliberately used as a covert or subtle way of imposing the views, interpretation and agenda of private aid agencies on their partners (Crawford, 2003; Abrahamsen, 2004: 1455-1456). From this viewpoint, partnership is like a ‘Trojan Horse’ (Fowler, 2000a: 7) used to hide the real motives as part of a ‘new colonialism’ (Wallace et al., 2006: 38). Others have argued that the terminology of partnership is primarily used by private aid agencies to safeguard their perceived ‘added value’ in the development process (Lister, 2000: 229, Lister, 2001; Malhotra, 1997). Another concern is that partnership runs the risk of becoming a meaningless term given the tendency within the field of international development to refer to every kind of relationship as a partnership (Fowler, 2000c; Morse & McNamara, 2006: 322). Despite the extensive criticism, however, the terminology of partnership has not only remained common currency in the every-day language of the private aid channel, but continues to be an aspiration for private aid agencies.10

The contradiction between the principles and practices of partnership, which is referred to in this dissertation as the ‘partnership paradox’, has major consequences for private aid agencies’ legitimacy and relevance. The partnership paradox raises doubts about private aid agencies’ enhanced ability to achieve local ownership, their added value in the international aid system and the alignment between their values and practices. The failure to realise equitable and high quality relations not only undermines (claims related to) the performance of private aid agencies but also their distinctiveness from official donors (Fernando, 2007; Biekart, 1999; Ashman, 2001; Fowler, 2000b; Michael, 2004). Both are particularly relevant in an era characterised by the rise of direct funding from official donors to Southern NGOs and increasing doubts about what private aid agencies offer beyond being intermediaries for government finance (Ruben et al., 2008). Furthermore, by failing to realise ‘genuine’ partnerships, private aid agencies’ practices conflict with their own values. As value-driven organisations, private aid agencies must ultimately have their organisational structures and inter-organisational relations aligned with their core values to maintain their identity and external credibility (Edwards & Fowler, 2002: 7; Hudson, 2000).

10 Usually three types of aid channels are distinguished in the development literature: multilateral (aid from multilateral organisations like the UN or Worldbank to Southern governments), bilateral (aid from Northern to Southern governments) and private or civilateral (aid from Northern to Southern NGOs) (Kinsbergen & Schulpén, 2010: 162).
1.4 North-South NGO relations: gaps in the literature

While a cumulative body of knowledge about North-South NGO relations has emerged since the mid-1990s (see Appendix 1.1), it struggles to explain the partnership paradox. A review conducted for this study identified five limitations. First, many existing studies on the practice of partnership have emphasised private aid agencies’ greater power, while paying little to no attention to their Southern counterparts’ countervailing power (see Ashman, 2001; Oller, 2006; Hudock, 1995, 1999; Mawdsley et al., 2002; Wallace et al., 2006). As a consequence, knowledge about the latter’s room to manoeuvre or their ability to influence decisions has remained limited. What makes this problematic is that it runs the risk of robbing Southern NGOs of their agency and (implicitly) victimises them in their relations with funders. This reflects a more general tendency within the NGO-literature that, according to Lewis (2007: 367), often follows a ‘Southern NGOs good, Northern NGOs bad’ line of thinking.

Second, the literature thus far has predominantly focused on private aid agencies’ failure to live up to the ideal of partnership as opposed to their continued efforts to live up to the ideal. In examining the gap between the ideal and practice of partnership, studies have primarily employed a ‘negative’ perspective. The dominant approach has been to take characteristics of the ideal as the starting-point and subsequently pinpoint the areas where practices fall short (see Ashman, 2001; Lister, 2000, Hudock, 1995, 1999). Consequently, studies repeatedly arrive at the conclusion that private aid agencies fail to live up to the ideal of partnership. Yet, how they have tried to put the principles associated with the ideal of partnership into practice has received little attention.

Third, existing research not only has largely taken the ideal of partnerships for granted but has also ended up reproducing this ideal without scrutinizing its underlying premises. Within the private aid channel, partnership has become a widely shared norm for North-South NGO relations (Harrison, 2007). It is a norm that has not only been internalised by private aid agencies, but also by most official donors to the extent that working in partnership is often a requirement for private aid agencies to qualify for subsidies (Brehm, 2004: 31). Partnership has not only achieved a taken-for-granted status

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11 The studies of Ebrahim (2002, 2005) and Fernando (2007: 311) are partial exceptions, although examining Southern NGOs’ room to manoeuvre was not the core focus of their work. Amongst other things, Ebrahim showed how two Indian NGOs were highly selective in sharing information with their international funders to protect their core activities from interference. In addition, these NGOs produced information purely to satisfy their donors and lend legitimacy to their activities, not for their own decision-making. Fernando showed how Sri Lankan NGOs used the language and expectations of donors to their advantage by ‘sprinkling’ their proposals and reports with favoured jargon (e.g. participation, good-governance, gender).
as the ‘appropriate’ way for structuring North-South NGO relations, it has also been the main source of inspiration and the conceptual starting-point of most research into these relations (Harrison 2007: 390). While researchers have tended to reproduce the norm of partnership, they have largely refrained from assessing the values and beliefs that explain why partnership is considered so important in the private aid channel.

Fourth, prevailing research on partnerships has been largely limited to intra and inter-organisational dynamics while the analysis of the influence of the institutional environment on the principles and practice of partnership has been limited to funding. As with the lack of contextualisation in much of the prevailing research on development NGOs (Lewis & Opoku, 2006: 669), partnerships have often been analysed as if they exist within a vacuum. Although several studies (e.g. Biekart, 1999, Wallace et al., 2006, Bornstein, 2003) have demonstrated how partnerships are part of larger aid chains, these analyses have focused primarily on the financial basis of this integration. Yet actors in the private aid channel are also influenced by widely shared ideas, values and beliefs of development, which have a unifying, homogenizing and legitimising character (Tvedt, 2002: 369). Neo-institutional theorists have shown, amongst others things, how such shared ideas, values and beliefs may profoundly shape the way in which inter-organisational collaboration is structured (Greenwood & Hinings, 1996; Philips & Hardy, 2000). As of yet, however, no systematic analysis has been undertaken to understand how the ideal and practice of partnership are shaped by, and connected to, the shared ideas, values and beliefs of the private aid channel.

Fifth, the literature to date has not been particularly clear in terms of the concrete mechanisms through which inequality is produced and reproduced within partnerships. Many empirical studies on North-South NGO relations suffer from weak theorisation and a lack of analytical clarity (Fernando, 2007: 14). Of the 19 academic empirical studies reviewed for this thesis, for example, only seven appeared to be underpinned by theory (see appendix 1.1). This lack of theoretical grounding seems to have contributed to some studies achieving little analytical depth. Funding, for example, has been repeatedly identified as the main cause underlying the inequality characterising partnerships (e.g. Bornstein, 2003; Oller, 2006; Reith, 2010), whereas financial dependence is in fact just one of the factors explaining asymmetries in power within inter-organisational collaboration (see Clegg, 1989). Due to a lack of analytical focus and conceptual clarity, the literature thus far has not offered a clear picture regarding the actual mechanisms that enable private aid agencies to impose their preferences upon their partners.

From what has been said, it is not only clear that there is ample room to advance the understanding of the nature of North-South relations, but that a number of guiding
principles can be formulated in order to overcome the limitations of the existing literature. In sum, future research should:

- shed light on the countervailing power of Southern NGOs;
- elucidate how private aid agencies try to put the ideal of partnership into practice;
- identify why private aid agencies attach so much importance to the ideal of partnership;
- explore how the ideal and practice of partnership are linked to, and shaped by, the institutional context;
- clarify the mechanisms that produce and reproduce inequality within partnerships.

1.5 Objective and research questions

The partnership paradox is an important topic that relates to ongoing debates about the relevance and legitimacy of private aid agencies. The primary objective of this dissertation is to contribute to these debates and address the limitations of the literature by providing an in-depth analysis of the partnership paradox. It asks the following central research question:

*What explains the discrepancy between the principles and the practices of partnerships within private development cooperation?*

This question implies a diagnostic, or explanatory, orientation, also because the research ‘problem’ - the partnership paradox - has already been identified by earlier studies and is widely acknowledged by different stakeholders in the field. As the identification of causes is the starting-point of any course of action towards reaching a ‘solution’ (Verschuren & Dorewaard, 1999: 37), the secondary objective of this study is to explore the implications of the findings in view of the ongoing debates about the legitimacy and relevance of private aid agencies.

Before the main research question can be answered, it needs to be operationalised into a number of sub-questions. Given the need for theoretical grounding (see the limitations above), this dissertation departs from theory-informed sub-questions. These questions are formulated at the end of the next section which discusses the overall theoretical framework and different (sub-) concepts used for this thesis.
1.6 Theoretical framework

Explaining the partnership paradox requires two types of knowledge: (1) descriptive knowledge about the gap between the principles and practice of partnership and (2) explanatory knowledge of those forces that push towards and pull away from the ideal of partnership. In view of these knowledge requirements, power has been identified as the most suitable general concept for theoretical guidance.

For the first type of knowledge, this dissertation adopts an episodic conceptualisation of power. As the principles of partnership have already been extensively discussed in the literature, this study focuses on further clarifying its practice. While the literature clearly shows that the practice of partnerships is characterised by inequality due to the funding involved, the analysis it offers of this inequality falls short in terms of balance and depth. The first step of this study must therefore be to clarify the nature of this inequality. As inequality can only exist in situations where power is exercised, it makes sense to do this from the perspective of episodic power. Episodic power refers to discrete, strategic acts initiated by self-interested actors to achieve outcomes in interaction with other actors. This mode of power has been the traditional focus of organisational research and theory, with its emphasis on examining which actors are most able to influence organisational decision making (Clegg, 1989: 211). Power is viewed as a commodity: something to be acquired, owned and used (Barnett & Duvall, 2005: 46), enabling actors to get others to do what they otherwise would not do (Dahl, 1957). Episodic power is always exercised in the context of social relations. As such, it is highly situated and contained, in which episodes of power are tied to the deliberate actions of actors (Lawrence et al., 2001: 629).

For conceptual guidance in generating the second type of knowledge, a body of theory is required that is capable of linking prevailing ideas, values and beliefs in the private aid channel to the ideal and practice of partnership. Partnerships do not exist in a vacuum but are embedded in a wider institutional context, which contains conflicting forces that push towards and pull away from the ideal of partnership. Regarding the latter, it is known from the literature that the conditions for official donor funding, on which many private aid agencies are dependent, have an effect on the internal dynamics of their partnerships with Southern NGOs. As official donors have become more demanding in terms of tangible results and transparency, it has become increasingly difficult for private aid agencies to live up to the ideal of partnership. As of yet, there has been no systematic examination of how the implicit values and beliefs underlying the growing emphasis on accountability and demonstrating results pull private aid agencies
away from the principles of partnership. Similarly, it remains unclear what the specific values and beliefs are that push private aid agencies towards the ideal of partnership.

Understanding power from a systemic perspective seems to be a particularly suitable way to analytically connect the principles and practice of partnership to the prevailing ideas, values and beliefs of the institutional environment. As a concept, systemic power develops from the idea that human behaviour takes place within socially constructed frameworks that both enable and constrain actors’ capacity to act (Lawrence, 2008: 174). Instead of viewing power as something that is held and used by self-interested actors in social relations, this perspective views power as something that is inherent to systems of meaning and signification which shape the identity, motives and interests of actors. Because these systems are frameworks of meaning, they determine the legitimacy or illegitimacy of certain thoughts or actions (Arts & Van Tatenhove, 2005: 351). As such, they lead to self-regulation and internalised constraints and have a disciplining effect on what actors can and cannot do (Barnett & Duval, 2005: 23). This also implies a more pervasive and less tangible form of power compared to the episodic perspective because it cannot be attributed to the strategic acts of self-interested actors. Neo-institutional theorists (Meyer & Rowan, 1977; DiMaggio & Powell, 1983) in particular have shown how shared taken-for-granted norms, values and beliefs profoundly shape organisational behaviour by determining what conduct is normal or appropriate and what counts as a problem or a solution (see also Clegg, 1989: 224).

While the above two perspectives on power offer important theoretical starting-points for explaining the partnership paradox, they are still rather broad and abstract. Therefore, while taking these two perspectives as its starting point, this study uses four more concise power-concepts, which have been chosen specifically to address the earlier identified gaps and limitations in the literature:

1. **Influence** reflects an episodic perspective of power and refers to one actor getting another one to do what it otherwise would not do. It is based on the hierarchical ordering of authority grounded in resource control. In this study, the concept serves to establish the relative influence of local counterparts in decision-making and to explain why some are more influential than others. It has been chosen to shed light on the mechanisms through which private aid agencies exercise their greater power while clarifying the relative power of Southern NGOs.

2. **Strategic responses** are the ways in which actors try to manage the demands of other actors who are more powerful than them. This study employs this episodic power concept to understand which funding conditions are perceived by local counterparts as undesirable and what strategies they use to manage these conditions. The concept
has been particularly chosen to shed light on the countervailing power of Southern NGOs.

3. **Rules** are frameworks that structure inter-organisational relationships by simultaneously enabling and constraining actors’ capacity to act. The concept of rules is used to understand local partners’ room to manoeuvre as well as the manner in which private aid agencies have institutionally ‘designed’ their partnerships. It has been particularly chosen to clarify how private aid agencies try to live up to the ideal of partnership while establishing the way in which their practices are shaped by the institutional environment. As private aid agencies draw upon prevailing beliefs, norms and values from the institutional environment when establishing the rules, this concept connects the episodic and systemic perspectives of power.

4. **Institutional logics** are systems of meaning and signification originating from the institutional environment which shape organisational behaviour. This systemic power concept is used to shed light on the shared ideas, beliefs and values of the private aid channel that both pull towards and push away from the ideal of partnership. Besides clarifying why private aid agencies attach so much importance to the ideal of partnership, this concept has been chosen to explore how the ideal and practice of partnership are shaped by the institutional context.

The remainder of this section introduces the concepts in greater detail and establishes their mutual connections.

**Influence**

In most policy domains, actors do not operate in isolation but work together in inter-organisational relations that take shape around certain policy problems and programmes (Arts et al., 2000: 57). As actors tend to have diverging or even conflicting preferences and interests, it is in these relations that power is exercised in a way that Dahl (1957: 202-203) famously defined as the ability of ‘A to make B do something that B otherwise would not do’. When power is exercised to realise an effect, it is referred to as influence (Arts, 1998: 57).\(^\text{12}\) Influence, which is also referred to as ‘power as capacity’, ‘power over’ or ‘agent power’ in the literature (Arts & Van Tatenhove, 2004: 349), has been identified as the ‘normal power’ of the social sciences due to its apparent nature and visibility (Clegg, 1989: 211). The inter-organisational relations under examination in this thesis are primarily those between private aid agencies and their Southern counterparts, although

\(^{12}\) The underlying distinction here is between having power and exercising power. While having power is the ability of A to influence B, exercising power is using that ability to realise an actual effect (see Huberts & Kleinnijenhuis, 1994).
the collaboration between private aid agencies and official donors is also indirectly considered.

Within inter-organisational relations, influence is usually based on resource-based inequalities which are reproduced by socially constructed hierarchies in authority (Clegg, 1989: 217). Access to and control over certain resources is routinely required to achieve organisational goals. Actors depend upon each other for resources such as money, expertise, credibility, information or contacts to achieve their goals and ensure their survival. Within these relations, each actor brings in its own set of resources. Yet, not all resources are of equal value in the relation (Clegg & Hardy, 1996: 372), leading to relations of autonomy and dependence between actors (Arts et al., 2000: 57). When one actor relies on another for a critical resource, the dependent organisation is at a power disadvantage. The relative ‘leverage’ of a resource depends on the extent to which a resource is needed for survival and operation and whether alternative sources of a resource are available and accessible (Pfeffer and Salancik, 1978: 45-51). Actors can use their control over critical resources as a ‘carrot and stick’ tactic to modify the behaviour of others. This way the desire for resources or the fear of having them withheld ensures the obedience of those being influenced. As long as actors sustain their resource control, their ability to exercise power is maintained (Clegg, 1989: 121).

While actors may use their control over critical resources directly to impose their will upon others, in most day-to-day interactions influence is derived from the hierarchical authority that is grounded in resource control. Hierarchical authority, also referred to as ‘legitimate power’ or ‘position power’, refers to the recognised, legitimate right to make decisions associated with a certain position in a relationship (Weber, 1978; Hardy & Clegg, 1996: 370; Hardy & Philips, 1998: 219). In most cases subordinates obey superiors because they perceive that the latter have the right to exercise power by virtue of their position. The superior’s right to exercise power is thus considered by both superior and subordinate as legitimate (Astley & Sachdeva, 1984: 105-106). This gives the influence derived from hierarchical authority a major advantage over that associated with (the threat of) sanctions, as it tends to invoke far less resistance (Clegg, 1989: 212).

**Strategic responses**

While power relations signify acceptance on the part of those subject to them, they invariably also imply resistance (Clegg, 1989: 208). While actors may accept the authority of those who have power over them, this does not mean that they cannot attempt to moderate its effects. Power is always exercised within the context of the rules of the game that constrain and enable action (more about this below). This creates
opportunities for resistance as rules are never free of ambiguous meaning and surveillance mechanisms are never infallible (Clegg & Hardy, 1996: 380). Giddens’ (1984) notion of the ‘dialectics of control’ points out that even the most subordinate actor always has some countervailing power at its disposal to resist the actions of its superiors. The resistance strategies which are used by actors to manage the demands of more powerful actors are referred to in the neo-institutional literature as strategic responses (Oliver, 1991). The nature, extent and success of strategic behaviour depends on the resources, knowledge and skills of the actor involved (Lawrence, 2008: 185). The more successful strategic responses are, the more they prevent the full realisation of the intentions of the one in power (Clegg, 1989: 217). In that sense, they contribute to the outcome of power relations by imposing limits on power (Barbalet, 1985: 532). This dissertation examines the strategic responses employed by Southern NGOs towards their donors.

Strategic responses can assume different forms although open defiance is rare in power-laden relationships. However, the lack of overt resistance does not mean that the weaker party passively accepts the dictates of the stronger party (Clegg, 1989). This is because dominated actors tend to disguise their resistance ‘for the interest of safety and success’ (Scott, 1990: 86). From neo-institutional theory, for example, we know that organisations subtly offer resistance by giving the appearance of obeying more powerful actors without actually doing so in practice (Meyer & Rowan, 1977). In such cases, organisations maintain their legitimacy in the eyes of key stakeholders, while simultaneously ‘decoupling’ their core activities from interference. While influence and resistance are interrelated, most strategic responses leave the hierarchical authority structures and underlying rules of the game unquestioned. In such cases, the mere exercise of power is resisted, not the premises that make that exercise possible. As such, strategic behaviour tends to reproduce existing configurations of power (asymmetry) (Clegg, 1989: 207, 220).

**Rules**

While power is implicated in authority and grounded in resource control, it is ultimately constituted by rules (Hardy & Clegg, 1996: 380). Inter-organisational relations do not exist in a vacuum. Instead, actors interact within socially constructed frameworks which can be conceptualised as the ‘rules of the game’ (Clegg, 1989: 212). These rules structure and temporarily stabilise the relationship and simultaneously enable and constrain actors’ capacity to act. They tend to be unilaterally established by the actor with control over critical resources and both reflect and solidify prevailing power asymmetries.
Besides fixing the hierarchical authority structure in the relationship and putting actors in their positions, rules formalise lines of responsibility, regulate (inter)action and standardise procedures (Klijn & Koppejan, 2004). Amongst others things, they define what type of outcomes ought to be achieved, how problems should be interpreted and tackled and who qualifies for membership (Phillips & Hardy, 2000: 32). Rules allow power to be exercised indirectly in the sense that they influence behaviour independent from time or space (Clegg, 1989: 213). As such, Barnett and Duvall (2005: 52) refer to rules as ‘frozen configurations of privilege and bias’ which continue to shape the future choices of actors long after they have been established. The rules studied in this thesis are those that shape the relations between private aid agencies and their Southern counterparts.

Rules can be conceptualised as having three analytical dimensions – regulative, normative and cognitive - reflecting different institutional approaches (Scott, 2008: 50-59). In economically oriented institutional theories, particularly public choice theory and neo-institutional economics (see Ostrom, 1986; Ostrom & Crawford, 2005; Williamson, 1985), the regulative understanding of rules prevails. In this perspective, formalised rules within inter-organisational relations are primarily seen as a protection against the opportunistic behaviour of other actors while compliance is ensured through (the threat of) sanctions. The normative and cognitive understandings of rules originate from (organisational) sociology. Both stress that organisational behaviour is profoundly shaped by the shared ideas, beliefs and values originating from the institutional environment (see below), upon which actors draw for guidance and meaning when establishing rules. The normative perspective of rules emphasises how organisations conform to prevailing normative expectations and standards of appropriateness (see March and Olsen, 1989). Rules reflect social obligations or shared professional standards and are followed because they are widely seen as normal, morally just or perceived as ‘best practices’ (Scott, 2008: 55). The cognitive perspective focuses on how organisational behaviour is guided by shared conceptions about the nature of social reality and interpretive frames through which meaning is made (see Meyer & Rowan, 1977). Such rules guide behaviour because they render certain ideas and actions (e.g. problem-definitions, proposed solutions) meaningful while others senseless or even inconceivable. Rules are most influential when the regulative, normative and cognitive dimensions are aligned (Scott, 2008), for example, when prevailing norms and cognitive frames are codified in formal legislation.
Institutional logics

Organisations are not only directly influenced by other organisations but also by the broader institutional environment in which they are embedded. As mentioned above, the institutional environment offers shared goals, ideas, values and beliefs – also referred to as institutional logics - that determine which kind of conduct is considered appropriate and meaningful. These logics become shared through repeated interactions by organisations which are grouped around a set of issues and participate in related activities (Hoffman, 1999: 352). Such a group of organisations, which can be understood to inhabit the same organisational field, draws upon and adheres to prevailing institutional logics for guidance, meaning and legitimacy (Philips & Hardy, 2000: 29). As such, the institutional environment provides organisations with collective identities, motives and vocabularies while offering guidance with regard to which problems get attended to, which solutions get considered, what outcomes are to be achieved and what practices are considered (Townley, 1997: 263; Thornton & Ocasio, 2008: 111—114; Greenwood et al., 2002: 59). While institutional logics may profoundly influence organisational behaviour, they do not work through discrete acts of agency but exist independent from the strategic acts of other actors (Clegg, 1989: 209; Lawrence, 2008). In this thesis, we conceptualise the private aid channel as an organisational field and seek to examine those institutional logics that shape the ideal and practice of partnership.

In organisational fields where commonly accepted bottom-line standards and proven methods for establishing performance are absent, such as those primarily inhabited by non-profit organisations like the private aid channel, compliance with prevailing institutional logics is key to organisational survival. Because actors cannot objectively prove their fitness, they have to derive their legitimacy in important respects from their compliance with institutionally prescribed expectations and rationales (Clegg, 1989: 226; Alexander, 1995). Those actors not in conformity are perceived to be illegitimate and will have difficulties attracting resources and ensuring their survival. One consequence is that organisations within organisational fields tend to become increasingly similar over time as they face similar institutional pressures, a process which Powell and DiMaggio (1983) refer to as isomorphism. In the private aid channel, private aid agencies share many characteristics because they share the same institutional logic. Amongst other things, they all (claim to) attach importance to ensuring local participation, work in partnership with Southern NGOs and comply with ‘best practices’

13 The concept of organisational field bears resemblance to Bourdieu's (1984) 'social field', which refers to a social arena governed by distinctive values and approaches in which actors and their social positions are located.
in the areas of planning, monitoring and evaluation (Tvedt, 1998; Roberts et al., 2005: 1851).

As institutional logics profoundly shape inter-organisational collaboration (see Clegg, 1989: 214), they offer a useful entry-point for understanding North-South NGO relations. In establishing the rules that structure inter-organisational collaboration, actors draw upon prevailing institutional logics for guidance and meaning. Amongst other things, these logics provide norms or standards for the appropriate way in which actors ought to relate to each other. By conforming to the parameters of existing norms and beliefs, actors gain legitimacy and ensure their survival (Greenwood & Hinings, 1996: 1026). In the private aid channel, for example, private aid agencies can be expected to draw upon the prevailing norm of ‘partnership’ to structure their relations with Southern NGOs as other types of inter-organisational relations are considered less appropriate (see Harrison, 2007). In a similar way, prevailing institutional logics will shape what goals (e.g. gender equality, empowerment) and strategies (e.g. rights-based approach, participation) are considered meaningful by private aid agencies and which accountability practices (e.g. use of logical framework) will be viewed as appropriate. In this way, widely shared norms, values and beliefs originating from the institutional environment, become solidified in the rules governing the collaboration (Philips & Hardy, 2000: 32).

**Sub-questions**

Based on the above, the following sub-questions have been formulated:14

1. To what extent are local counterpart organisations able to **influence** decision-making within partnerships and what explains their influence?

2. What kind of funding conditions do local counterpart organisations perceive as undesirable and what kind of **strategic responses** do they employ to manage those conditions?

3. How do the prevailing partnership **rules** shape local counterpart organisations’ room to manoeuvre within their relationships with private aid agencies?

4. What are the prevailing **institutional logics** within the private aid channel and how do they shape the principles and practice of partnership?

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14 This thesis has not been written as a monograph but instead is based on four self-contained articles written for publication in international peer-reviewed journals. As each chapter starts from its own research ‘problem’, the respective research questions in the chapters have been tailored to fit the specific way in which this problem has been framed. As such, there are slight differences between the formulation of the research questions in the chapters and the sub-questions presented here.
1.7. Methodology

There is no single, accepted way of doing social science. How researchers conduct their studies depends upon a range of factors, including how they perceive the nature of the social world and what can be known about it (ontology) and the nature of knowledge and how it can be acquired (epistemology) (Snape & Spencer, 2003: 1). The perspective employed in this study closely resonates with what has been referred as ‘subtle realism’ (see Hammersley 1992; Silverman, 2005). Ontologically, this perspective assumes that our ability to know social reality is imperfect at best and that claims about reality must be subject to a wide-ranging critical examination to achieve the best possible understanding of reality. Epistemologically, it argues that how we understand the world is a central part of how we understand ourselves and others. Given this perspective, this thesis seeks to make its (theoretical) assumptions explicit and provide information of both technical details of conduct and potential bias, enabling others to scrutinise the validity of the research (Snape & Spencer, 2003: 20). In this vein, this section covers the following topics: design and sampling, methods and data, analysis and validity.

**Design and sampling**

Given the study’s focus on ‘how and why questions’ (see main and sub-questions), it primarily employs a qualitative methodology. A survey was conducted to complement the analysis. Three out of the four empirical chapters - the chapter about strategic responses is the exception - are based on a comparative case study design. The selected cases are the partnerships of three private aid agencies, Action Aid (AA), Christian Aid (CA), and Interchurch Organisation for Development Cooperation (ICCO) and (a selection of) their local partners in Ghana, India, and Nicaragua. By including multiple cases into the analysis, it became possible to systematically compare the different partnership approaches and identify the factors underlying their similarities and differences. Furthermore, the evidence derived from multiple cases is often considered more compelling (Yin, 2003).

For multiple case studies, selection criteria are required for both establishing membership of the ‘parent population’ and ensuring a degree of diversity between the cases to make optimal use of the comparative research design (Lewis, 2003: 96; Gobo, 2004: 444). Private aid agencies had to meet the following three criteria to qualify for selection. First, they had to work on an international scale on a variety of themes in the field of international development with local counterpart organisations in developing countries. Second, in their policy papers they had to perceive partnerships with
Southern NGOs as integral to their development approach. Third, selected agencies had to differ from each other in terms of the level at which decision-making takes place (centralised vs. decentralised). The work of Young (et al., 1999) suggests that a decentralised management-structure is likely to result in more democratic decision-making. At the time of fieldwork, ICCO managed its partnerships centrally from its head office in the Netherlands while CA and AA maintained relationships with partners at the national-level. While CA maintains its relations in each country from a single country-office, AA manages its partnerships through its various regional offices throughout the countries where it works. By selecting multiple agencies with different governance structures, the likelihood of encountering variety in decision-making practices would be greater.

Fieldwork was carried out in Ghana, India and Nicaragua. The work of Brehm (2004: 50) and Michael (2004: 24) suggests that the practice of partnerships differs between regions and countries. Brehm found Latin American NGOs to be more vocal in expressing their views than African NGOs. Similarly, Michael argues that countries like Bangladesh, India, Argentina, Brazil or Peru accommodate numerous ‘strong’ NGOs, whereas such organisations tend to be much rarer in African countries. By choosing multiple countries with vastly different NGO-sectors (Heinrich, 2007), it not only became possible to improve validity but also assess the effect of country-context on prevailing partnership practices. Ghana, India and Nicaragua were chosen specifically because their inclusion allowed the study to build on existing research contacts. As the amount of work related to planning and conducting research in three countries eventually proved to be too much, another researcher was hired with the specific objective to collect the data in Nicaragua. For the data-collection in Nicaragua the same interview guides and questionnaire were used as for the Ghana and India studies (more about this below).

The nature of the research questions required the perspectives of both private aid agencies and those of local counterpart organisations to be taken into account. First, a sample of local partners of AA, CA and ICCO had to be selected. Unlike most quantitative studies, qualitative research does not set out to estimate the incidence of phenomena in the wider population statistically. For the purpose of this study a maximum variation sampling strategy was used, which implies that selected units have to be as diverse as possible.

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15 At the time of fieldwork in Ghana, India and Nicaragua (March-September 2008), ICCO was planning to transform its governance model into an international network organisation in which, amongst other things, decision-making authority will be transferred to Southern stakeholders. Because the new governance model was not yet operational, however, the findings presented in this study are not indicative of the new model.

16 The researcher for the Nicaragua study, Alexandra Tuinstra, had experience with doing research among Nicaraguan NGOs.
possible within the boundaries of the defined population. This is to ensure that all the key characteristics of relevance to the research topic are covered (Lewis, 2003: 78-79). To ensure that the sample was as diverse as possible, the sampling aimed for heterogeneity in thematic focus, size in terms of budget and staff, and geographical spread. These are all criteria that have been identified as the defining features of development NGOs (Vakil, 1997). In addition, an effort was made to include both long-time partners and those that had their first contract. In total 25 ICCO partners, 21 AA partners, and 22 CA partners participated in the study (see table 1.1). All partners were approached via their respective agencies and extended their support for the research.

### Table 1.1 Partner breakdown per country 19

<table>
<thead>
<tr>
<th>Agency</th>
<th>Ghana</th>
<th>India</th>
<th>Nicaragua</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Christian Aid</td>
<td>7</td>
<td>8</td>
<td>7</td>
<td>22</td>
</tr>
<tr>
<td>ICCO</td>
<td>7</td>
<td>10</td>
<td>8</td>
<td>25</td>
</tr>
<tr>
<td>Action Aid</td>
<td>10</td>
<td>11</td>
<td>-</td>
<td>21</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>24</strong></td>
<td><strong>29</strong></td>
<td><strong>15</strong></td>
<td><strong>68</strong></td>
</tr>
</tbody>
</table>

**Methods and data**

For the data-collection, semi-structured interviews and a survey were conducted and relevant (policy) documents were gathered (see table 1.2). The data was primarily collected from November 2007 through September 2008, although a limited number of (follow up) interviews were also conducted in 2009 and 2010. In the first few months, the emphasis was on designing, testing and improving the interview guides and questionnaire. Obviously, the interview guide relating to staff of ICCO, CA and AA

17 As the actual selection was the outcome of a collaborative effort between the researcher and agency-staff, there is a possibility that it may have been biased. For example, agency-staff may have tried to steer the research away from partners with whom they had a strained relationship. There were no indications that this happened, however, while partners of all three agencies were encountered that openly voiced criticism towards their respective project-officer.

19 In Nicaragua AA ultimately did not participate in the study. Despite repeated attempts over a six-month period to establish contact, it did not respond to the invitation to participate in the study. In order to maintain the deadline of the study, there was no other choice but to exclude AA Nicaragua from the research.
### Table 1.2  Breakdown of research questions and data-sources

<table>
<thead>
<tr>
<th>Research questions</th>
<th>agency staff</th>
<th>partners</th>
<th>documents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. To what extent are local counterpart organisations able to <strong>influence</strong> decision-making within partnerships and what explains their relative influence?</td>
<td>(Group) interviews: - 9 ICCO-staff - 8 CA-staff - 11 AA-staff</td>
<td>Interviews and survey: - 25 ICCO partners - 22 CA partners - 21 AA partners</td>
<td>X</td>
</tr>
<tr>
<td>2. What kind of funding conditions do local counterpart organisations perceive as undesirable and what kind of <strong>strategic responses</strong> do they employ to manage those conditions?</td>
<td>X</td>
<td>Interviews: - 25 ICCO partners - 22 CA partners - 21 AA partners</td>
<td>X</td>
</tr>
<tr>
<td>3. How do the prevailing partnership <strong>rules</strong> shape local counterpart organisations' room to manoeuvre within their relationships with private aid agencies?</td>
<td>(Group) interviews: - 9 ICCO-staff - 8 CA-staff - 11 AA-staff</td>
<td>Interviews: - 25 ICCO partners - 22 CA partners - 20 AA partners</td>
<td>- strategic plans - partnership policy - annual reports - partner selection policy - contracts</td>
</tr>
<tr>
<td>4. What are the prevailing institutional logics within the private aid channel and how do they shape the principles and practice of partnership?</td>
<td>(Group) interviews: - 9 ICCO-staff - 8 CA-staff</td>
<td>Interviews: - 25 ICCO partners - 22 CA partners</td>
<td>- strategic plans - partnership policy - annual reports - partner selection policy - contracts</td>
</tr>
</tbody>
</table>
differed considerably from that used for interviewing representatives of local partners in Ghana, India and Nicaragua. Regarding the former, numerous exploratory interviews were conducted with ICCO-staff in the Netherlands which not only yielded a great deal of information but also vastly improved the interview guide. To test and improve upon the interview guides and questionnaire to be used with local organisations, pilot research was carried out in Zambia in February 2008 with the help of two students who were conducting fieldwork for their MA-theses.\textsuperscript{19} The fieldwork in Ghana took place from March to May 2008, while the fieldwork in India was conducted in the period from July to September 2008. Amongst other things, the short break between these two periods was used to provide detailed instructions to the researcher who collected the Nicaragua data in August 2008. In Ghana and India, local research assistants helped out with the complex and time-consuming task of planning and arranging large numbers of interviews in different parts of the country (see appendix 1.2).

The data collected through semi-structured interviews with staff of ICCO, CA and AA and representatives of local partners in Ghana, India and Nicaragua constitutes the backbone of this dissertation. A key feature of semi-structured interviews is that they combine structure with flexibility (Ritchie, 2003: 36). They not only enable a systematic collection of sensitive data but also allow respondents to share experiences and interpretations based on their own perspectives and bring up issues not covered by the interview guide (Legard, 2003: 141-142). A total of 108 interviews were conducted for this dissertation, which includes 12 follow-up interviews. Regarding agency-staff, nearly all respondents consisted of project-officers responsible for managing partner relations although several high-ranking staff-members were also included. In total, nine staff members of ICCO, eight of CA and eleven of AA were interviewed. Representatives of local organisations were those responsible for managing the relations with funding agencies. This was usually the managing director or someone in an equivalent position. Interviews typically lasted two hours and were conducted face-to-face. All interviews were recorded and transcribed for analysis.

During all interviews the background and experience of the respondent, decision-making procedures, (examples of) the relative influence of local counterparts and potential causes for their (lack of) influence were addressed. Agency-staff in particular were asked

\textsuperscript{19} In 2007, the idea emerged of linking two Master-students, Lara van Kouterik and Wubke Willemsen, to this PhD-project. This turned out to be worthwhile endeavour. When designing their own research proposals – which dealt with different aspects related to donor-NGO relations - the students came up with critical questions and ideas which helped to sharpen the ideas and assumptions underlying the PhD-project. Moreover, the extensive testing of the interview guide and questionnaire in Zambia yielded numerous improvements.
to explain what made some partners more influential than others, what the rationale was behind their partnership approach and how it had evolved over time. Specific questions asked to representatives of local organisations related to the differences between ICCO/CA/AA and other funding agencies, how power asymmetries affected their organisation and how they strategically tried to manage funding conditions. Regarding the latter, the interviews also discussed experiences with funding agencies other than ICCO/CA/AA to increase the likelihood of finding different kinds of strategic responses. The interview guides were based on the existing literature on North-South NGO relations, power theory and neo-institutional theory. All respondents received information regarding the nature and purpose of the research prior to the interview. A number of follow-up interviews were conducted when the initial interview proved to be particularly rewarding. In addition to the individual interviews, several focus groups were conducted with staff of all three agencies. In each case, the group interaction proved to be extremely useful for refining existing findings, establishing shared ideas, beliefs and values and identifying diversity in viewpoints (see also Finch & Lewis, 2003: 170-198).

In addition to the in-depth interviews, all partner-representatives of ICCO, CA and AA were asked to complete a questionnaire. While the interviews, amongst other things, served to explain the partners’ relative influence in decision-making, the survey systematically captured the extent of their influence. As such, both methods of data-collection were complementary to each other. Given the absence of a ready-made measurement instrument for assessing partners’ relative influence, such an instrument had to be developed for this research. The result was a questionnaire which mapped the partners’ perceived influence on different topics in decision-making using a Likert-scale (see appendix 2.2). Theoretically, the questionnaire was based on the work of Dahl (1957) while the decision-making topics were identified through a literature review and interviews conducted during the pilot phase of the research.

In addition to the interviews and survey, the policy papers of ICCO, CA and AA and the contracts that they used for their partner-relations were also an important data-source. Documentary analysis involves the study of existing documents, either to understand their substantive content or to illuminate deeper meanings which may be revealed by their style and coverage (Ritchie, 2003: 35). One of its key advantages over other data-sources is that documents are drawn up without their producers realizing that they will be used in a research project. This means that there is no provoked behaviour as is the case when questions are put to people (Verschuren & Doorewaard, 1999: 121). For the study of organisations, policy papers – which are usually the outcome of a social process involving multiple people - often provide an excellent opportunity
to identify the (shared) goals, values and beliefs held by the organisation. For this dissertation, the policy papers of ICCO, CA and AA proved useful in understanding how these agencies (formally) understand their goals, (their role in) development and the relevance of partnership. Both documents that were intended for internal use only (e.g. partnership policy) and those open to the public (e.g. strategic plans) were collected. To understand the legal aspects of partnerships, including mutual rights and obligations, the standard contracts used by the agencies were included in the study.

**Data-analysis**

In qualitative research, the analytic process is usually iterative whereby researchers move back and forth from data to sense-making or developing theory (Verschuren & Doorewaard, 1999: 22; Spencer et al., 2003: 213). For this dissertation, data-analysis already started during the fieldwork period when notes were taken to capture thoughts about the dynamics of interviews, ideas for including certain topics and questions in subsequent interviews as well preliminary conclusions. Not surprisingly, it was during this period that the ideas about the nature of the study’s four empirical chapters, which up until then had been rather abstract, began to take a more definitive form. While there are no fixed rules or procedures for analysing qualitative data, a common procedure is coding, in which ‘codes’ are assigned to demarcated text segments. While these codes may be based on the language and terms of the research subjects, they may also be chosen by the researcher and may include commons sense terms, terms or concepts derived from the literature, or concepts devised by the researcher (Spencer et al., 2003: 203).

For this dissertation, a system of codes was constructed for each of the four empirical chapters. Besides searching for and retrieving chunks of labelled data, the coding system made it possible to establish patterns in the data, make comparisons and identify deviant cases (see also Ritchie et al., 2003: 221). The system of codes was informed by, but not limited to, the different bodies of theory underlying the four empirical chapters. To illustrate, chapter two builds upon the concept of ‘influence’ in the context of decision-making. As such, codes were applied to those segments of the interview transcripts that covered partners’ relative ability to set the agenda and make final decisions. Similarly, the coding system developed for chapter four, which builds upon the concept of ‘rules’, worked with codes that indicated different types of rules covered in text segments and how these shaped the partners’ room to manoeuvre. As the familiarity with the data-set increased over time, the emphasis shifted from descriptive to explanatory coding while existing codes were modified to create simpler, more robust codes that could be more clearly related to each other (see Strauss and
Corbin, 1998; Ritchie et al., 2003: 225). To handle the large amounts of data and ensure consistency, Atlas.ti software was used during the coding-process.

The data collected from the survey of partners of ICCO, CA and AA was analysed using descriptive statistics (see Teddlie & Tashakkori, 2009: 258-259). More specifically, box plots, which are often used in exploratory quantitative data analysis, were drawn to provide (visual) information about the samples’ range, average, normality of the distribution and skew of the distribution. Besides offering a concise and easily interpretable overview of the main characteristics of a data-set, box plots are particularly suitable for identifying outliers and extremes within the sample and comparing between different data-sets. In this study, they proved to be particularly useful for graphically depicting the relative influence of the partners of ICCO, CA and AA on key decision-making issues and identifying differences between the agencies. Unlike the approach followed in most quantitative studies, the analysis of the survey data was not done in a separate phase after the completion of data collection. Instead, the survey-data was already analysed during the fieldwork which made it possible to further examine the (causes underlying the) outcomes during the interviews. The survey data was entered in SPSS statistical software for analysis.

**Validity**

The criteria for ‘good’ research vary across research traditions and methodologies. In particular, one’s epistemological standpoint (e.g. positivist, interpretivist) shapes how the criteria for ‘good’ research are viewed (Lewis & Ritchie, 2003: 273). In line with the epistemological perspective employed in this study, a number of methodological strategies have been used to achieve validity, insofar as this is possible. Several of these strategies have already been described above. These include the use of a comparative case study design, fieldwork conducted in multiple countries, samples selected to encompass sufficient diversity, extensive testing of both interview guides and questionnaire and consistent coding systems. In addition to these strategies, a number of other efforts were also undertaken to ensure validity.

First, much effort was put into making sure that the respondents understood the nature of the research and the content of the questions asked. Before each interview, all respondents received an e-mail explaining amongst other things the nature of the research and purpose of the interview. Each interview started by repeating the information provided earlier and providing additional clarifications. The researcher then deliberately tried to use the language and terminology of the respondent to prevent misunderstandings. Regarding the questionnaire, explicit instructions ensured that
respondents properly understood the Likert-scale as well as the decision-making topics on which they had to pinpoint their perceived influence. To ensure that respondents had properly completed the questionnaire, all questionnaire-results were verified through the interview-transcripts.20

Second, to ensure as much as possible that respondents did not withhold (sensitive) information, they were granted confidentiality. Exploring issues related to power in partnerships is sensitive and respondents may be reluctant to criticise each other in ongoing partnerships (see Ashman, 2001). Moreover, despite communications from ICCO, Christian Aid and Action Aid that introduced the study as an independent academic endeavor, its nature was such that there was little time to genuinely get to know respondents and gain their trust. To limit concerns regarding the consequences of the disclosure of potentially sensitive information, all respondents were promised that the reporting would avoid direct attribution of comments to names or organisations (see Legard et al., 2003: 162). During the in-depth interviews, the representatives of most organisations seemed to speak openly without any inhibitions. In fact, several agency-staff and partner representatives took the opportunity to vent their frustration over certain issues in the relationship. On some occasions, respondents asked for the recorder to be switched off and in such situations notes were taken instead.

Third, triangulation was used to both confirm and to improve the clarity, or precision, of research findings. Besides providing complementary ways of looking at the same phenomenon, triangulation is usually seen to contribute to the validity of research findings when different approaches lead to the same result (Lewis & Ritchie, 2003: 275-276). Three types of triangulation were used for this dissertation: methods triangulation, triangulation of data-sources and theory triangulation (see also table 1.2). Regarding methods triangulation, the findings originating from different methods of data-collection (in-depth interviews, survey, gathering of documents) were compared and contrasted with each other. Concerning data-triangulation, the study draws upon different data-sources (respondents’ perceptions and experiences and documents). Moreover, the perceptions of partners regarding their relative influence were compared and contrasted with those of agency staff (ego versus alter-perception) (see Arts, 1998: 80-83). Finally, different kinds of theoretical concepts (e.g. influence, rules) were employed to understand the partnership paradox to achieve theoretical triangulation.

Fourth, drafts of each empirical chapter were verified through respondent validation

20 In a few cases the verification procedure actually raised doubts about whether a specific decision-making topic had been properly interpreted by the respondent. In those cases, the respective score was removed from analysis to ensure validity.
Agency-staff and representatives of local counterparts who demonstrated particular interest in the study during the interviews were invited to provide feedback on drafts. More specifically, they were asked to provide additional information, identify errors and challenge what are perceived as wrong interpretations. While each of the chapters benefited from the feedback through numerous (small) improvements, it did not result in any major changes.

1.8 Thesis outline

This thesis consists of three parts: a general introduction, four empirical chapters and a concluding chapter. The four sub-questions relate to the four empirical chapters. All the empirical chapters are separate studies intended for publication in peer-reviewed journals and can therefore be read independently from the rest of this book. This approach entails that parts of the introductions of the empirical chapters have some overlap. Furthermore, it implies that there is a degree of overlap between the theory discussed in this chapter and that presented in the empirical chapters.

Chapter 2 provides a systematic analysis of the (perceived) extent in which the partners of ICCO, CA and AA are able to influence the partnership decision-making. In addition, it examines why some partners are more influential than others. Chapter 3 focuses on strategic responses, while also drawing upon the experiences of the partners of ICCO, CA and AA with other funding agencies. It identifies why Southern NGOs perceive some funding conditions as undesirable and captures the range of strategies they employ to deal with such conditions. Chapter 4 establishes the rules that make up the institutional design of the partnerships of ICCO, CA and AA. The analysis focuses on local partners’ room to manoeuvre as well as the norms, values and beliefs underlying these rules. Chapter 5 connects the ideal and practice of partnership to different sets of widely shared beliefs, norms and values in the private aid channel by using the concept of institutional logics. More specifically, it identifies those institutional logics that push towards and away from the ideal of partnership. Chapter 6 presents the main conclusions of this study. After having answered the main research question, it discusses the relevance of the findings in light of ongoing debates about the legitimacy and effectiveness of private aid agencies and identifies a number of policy implications.
## Appendix 1.1  Overview of the empirical literature on North-South NGO relations

<table>
<thead>
<tr>
<th>Authors</th>
<th>question</th>
<th>Theory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ashman (2001)</td>
<td>What are the barriers to effective partnership?</td>
<td>Grounded theory</td>
</tr>
<tr>
<td>Bornstein (2003)</td>
<td>How have management standards and practices associated with the aid chain affected South-African NGOs?</td>
<td>-</td>
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<tr>
<td>Bornstein (2006)</td>
<td>How do requirements for monitoring, evaluation and reporting change the ways in which South-African NGOs work?</td>
<td>-</td>
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<tr>
<td>Daroca Oller (2006)</td>
<td>What are the main assets that each actor possesses [in partnerships] and which of these are susceptible to be mobilised and to become power?</td>
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</tr>
<tr>
<td>Ebrahim (2002)</td>
<td>How does information structure the relation between two Indian NGOs and their key international funders</td>
<td>Resource dependence</td>
</tr>
<tr>
<td>Fernando (2007)</td>
<td>How and why do relations between Dutch co-financing agencies and counterpart NGOs thrive, stagnate or decline?</td>
<td>Institutional theory, resource dependence, boundary spanning</td>
</tr>
<tr>
<td>Lister (2000)</td>
<td>How do power dynamics shape the partnerships between NGOs and donors?</td>
<td>Power as decision-making</td>
</tr>
<tr>
<td>Lister (2001)</td>
<td>How, why and to what extend do NNGOs consult their partners during policy development?</td>
<td>-</td>
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<tr>
<td>Marsden (2004)</td>
<td>How does the relation between international NGOs and local NGOs affect the latter’s relations with local communities and the government?</td>
<td>-</td>
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<tr>
<td>Mawdsley et al. (2002)</td>
<td>Why are the ideas of Southern NGOs (SNGOs) marginalised in the knowledge economy of the global development NGO community?</td>
<td>-</td>
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<tr>
<td>Main data</td>
<td>Main findings</td>
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<td></td>
</tr>
<tr>
<td>Interviews with NGOs from the US, Kenya and Ethiopia</td>
<td>Northern NGOs’ (NNGOs) internal systems and (back) donor policies create problematic conditions for Southern partners.</td>
<td></td>
</tr>
<tr>
<td>Interviews with South-African NGOs</td>
<td>The proliferation of donor requirements, both substantive and procedural, have created a gap between large professional NGOs and others.</td>
<td></td>
</tr>
<tr>
<td>Interviews with South-African NGOs</td>
<td>Imposed requirements for planning, evaluation and reporting result in systemic distortions of information while benefits in terms of improved project implementation and impact are doubtful.</td>
<td></td>
</tr>
<tr>
<td>Interviews with two Ugandan NGOs and a British NGO</td>
<td>Financial dependence is the main characteristic of the relationship, which enabled the NNGO to enforce its own policies and financial procedures.</td>
<td></td>
</tr>
<tr>
<td>Interviews with local NGOs in India and funding agencies, archival research and participant observation</td>
<td>Information requirements promote positivist and easily quantifiable measures of success; NGOs resist their funders by symbolically complying with the requirements.</td>
<td></td>
</tr>
<tr>
<td>Interviews with four Dutch and six Sri Lankan NGOs</td>
<td>Power plays a key role in the way in which relations between Dutch and Sri Lankan NGOs have developed over time. This is most evident when relations are terminated. Individuals have a profound impact on the (power) dynamics of the relationships.</td>
<td></td>
</tr>
<tr>
<td>Reflection on personal experiences (?)</td>
<td>SNGOs’ dependence on NNGOs and their inability to reduce the uncertainty created by this dependence, makes them highly vulnerable to external control.</td>
<td></td>
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<tr>
<td>Interviews with an NNGO and NGOs from Guatemala</td>
<td>Inter-organisational relations between NGOs may be falsely categorised as partnerships; relationships are frequently based on personal relations.</td>
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<tr>
<td>Interviews with an NNGO and NGOs from Guatemala</td>
<td>While partners were consulted on country-specific issues, there was limited consultation on NNGOs’ broader programmes, strategies or advocacy work. Consultation practices relate to the need of NNGOs to show their ‘added value’.</td>
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<tr>
<td>Reflection on personal experiences</td>
<td>Logical frameworks may end up excluding those people they aim to embrace; strong personal commitment of local NGO-staff can overcome some of these limitations.</td>
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<tr>
<td>Interviews with SNGOs in Mexico, Ghana and India</td>
<td>Unequal partnerships and the priority placed on tracking rather than achieving change restrict SNGOs from having a stronger voice in the global development NGO community.</td>
<td></td>
</tr>
<tr>
<td>Interviews with NGOs from Senegal, Zimbabwe and Tanzania</td>
<td>Local NGOs will have to create their own development space, achieve a degree of financial independence from donors, build solid links to the international development community and be willing to engage with the political aspects of development work to gain power.</td>
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</table>
### Appendix 1.1  Continued

<table>
<thead>
<tr>
<th>Authors</th>
<th>question</th>
<th>Theory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pickard (2007)</td>
<td>How do Mexican NGO-representatives experience their partnerships with NGOs?</td>
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</tr>
<tr>
<td>Postma (1994)</td>
<td>What are the motivations of NGOs and SNOs to enter into partnerships and what are the contributions of both partners to the relationship?</td>
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<tr>
<td>Reith (2010)</td>
<td>How does power manifest itself in donor-NGO partnerships?</td>
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<tr>
<td>Wallace et al., (2006)</td>
<td>How far are local strategies and projects influenced by changing donor policies and how far by internal imperatives?</td>
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<tr>
<td>Win (2004)</td>
<td>How do donor requirements affect the ability local NGOs to meet local needs?</td>
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<tr>
<td>Townsend et al. (2004)</td>
<td>How do local NGOs respond to the neo-liberal agenda that is tied to donor funding?</td>
<td></td>
</tr>
<tr>
<td>Main data</td>
<td>Main findings</td>
<td></td>
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<td>--------------------------------------------------------------------------</td>
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<td></td>
</tr>
<tr>
<td>Interviews with an NNGO and church-based Nigerian NGO</td>
<td>Each concept has its own strengths and weaknesses for analyzing partnerships. Research should take into account that partnerships have ‘ups’ and ‘downs’ over time.</td>
<td></td>
</tr>
<tr>
<td>Interviews with Mexican NGOs</td>
<td>NNGOs have replaced their transformational vision of development with one that reflects charity. Together with the pressure to demonstrate tangible results, this prevents partnerships from prospering.</td>
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</tr>
<tr>
<td>Interviews with NNGOs and NGOs from Mali and Niger</td>
<td>Partnership present many opportunities for solidarity, sharing and institutional development to take place.</td>
<td></td>
</tr>
<tr>
<td>Review of correspondence between a UK-based NGO and (potential) donors</td>
<td>Power manifests itself through the control and flow of money; NGOs pursuing funding from donors face many challenges that reinforce the imbalance of power.</td>
<td></td>
</tr>
<tr>
<td>Interviews with donors and NGOs from the UK, South-Africa and Uganda</td>
<td>Procedures based on controlled change and rational management clash with a commitment to participation, locally driven solutions and ownership.</td>
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</tr>
<tr>
<td>Reflection on personal experiences</td>
<td>Donor requirements have a range of undesirable consequences, particularly if meeting them becomes more important than the actual needs on the ground.</td>
<td></td>
</tr>
<tr>
<td>Interviews with agency-staff and NGOs in Ghana, India and Mexico</td>
<td>While the majority of the local development NGOs have become ‘instruments of the neo-liberal project’, some ‘independent thinking NGOs continue to offer resistance.</td>
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</table>
Appendix 1.2  Research locations

GHANAN

100 km
Appendix 1.2  Continued
Decision-making in partnerships for development: explaining the influence of local partners

Abstract: This study examines decision-making in the partnerships between three private aid agencies and their local partners in Ghana, India and Nicaragua. Drawing upon a mixed methodology, it maps the relative influence of these partners vis-à-vis the agencies and reveals the processes underlying decision-making outcomes. Three main findings are advanced: (1) rules regulate per topic the extent in which partners can participate in the decision-making, ranging from exclusion to full participation; (2) four clusters of decision-making topics were identified reflecting the different degrees to which partners are allowed to participate in the decision-making; (3) while partners’ ability to influence decisions is above all affected by the rules, some have more influence than others depending on their organisational capacity and their respective project-officer.

Keywords: NGOs; partnership; power; decision-making; private aid agencies
2.1 Introduction

Partnership has been the preferred type of institutional relationship between Northern and Southern Non-Governmental Organisations (NGOs) in the field of international development since the 1970s. Emerging initially as an expression of solidarity between the global North and South (Fowler, 2000) it is now regarded as essential for ensuring local ownership of development activities, linking it directly to the effectiveness and sustainability of nongovernmental development aid (Ashman, 2001; Lister, 2000). In addition, the legitimacy of private aid agencies became intertwined with the notion of partnership due to the claim that they, as opposed to bilateral and multilateral aid agencies, are able to have high quality relationships with Southern counterparts (Fernando, 2007).

Yet critics have stressed a gap between the prevailing rhetoric and reality of partnership. Since the 1990s, a range of studies have pointed out that North-South relationships in private development aid are characterised by power asymmetries (Ebrahim, 2002; Hudock, 1995; Fernando, 2007; Lister, 2000). As partnerships are based on resource transfer, they are said to invariably result in donor-recipient behaviour. Doubts can thus be raised about the enhanced performance that is often attributed to nongovernmental development assistance (Ashman, 2001; Fowler, 2000). Edwards and Fowler (2002) point out that those private aid agencies that are unable to maintain equitable relationships with their Southern partners risk losing their legitimacy.

This study examines the power dynamics in the partnerships between three private aid agencies (Action Aid, Christian Aid and Interchurch Organisation for Development Cooperation) and their local partners in Ghana, India and Nicaragua. It poses two principal questions: (i) to what extent are the local partners of the three agencies able to influence decision-making and (ii) what explains their relative influence? Overall, this study aims to improve our understanding of the power inequalities present in partnerships while offering tangible starting-points for those private agencies wishing to enter into more equitable relationships.

2.2 Partnership and power asymmetries

Within private development cooperation, the term partnership usually refers to the relationship between Northern aid agencies and their Southern counterparts. While the former provide financial and technical support, the latter are responsible for implementing development programmes (Brinkerhoff & Brinkerhoff, 2004). Although
no generally accepted definition exists, most authors argue that partnerships differ from other types of institutional relationships due to their value-based nature. Qualities commonly associated with partnership include shared goals, mutual influence, trust and mutual respect (Fowler, 2000; Lister, 2000). Arguably, it is these values that are said to make partnerships more effective than other kind of relationships because they result in the creation of synergy. The latter, it is assumed, produces results that individual partners could not obtain (Fowler, 2000).

Since the 1990s, a range of studies delved deeper into the power asymmetries characterizing partnerships. They found that the mutual dependence that is said to characterise partnership does not generate equal leverage in practice (Hudock, 1995). As private aid agencies often have tens or even hundreds of Southern partners, they do not depend on a single partner organisation to achieve their objectives. In contrast, for many Southern NGOs, the lack of local fundraising opportunities, the abundance of ‘competitors’ and the relative scarcity of funding agencies means that there are major consequences if they lose their funding (Markowitz & Tice, 2002; Fernando, 2007; Lister, 2000; Michael, 2004). The result is a power differential in which private aid agencies can do to their partners what their partners cannot do to them. Private aid agencies are known to unilaterally establish policy priorities (Lister, 2001), impose their preferences during project-design and implementation (Mawdsley, et al., 2002; Lister, 2000), unilaterally define accountability requirements (Ashman, 2001; Ebrahim, 2002) and funding arrangements (Ashman, 2001; Michael, 2004).

This study aims to further the existing literature on partnership power asymmetries by addressing two important gaps. First, it explicitly includes the institutional context of decision-making which has largely been overlooked in existing studies. Neo-institutional theory argues that the rules regulating actors’ participation in decision-making directly contribute to, and maintain, the power asymmetries in inter-organisational arrangements such as partnerships (Ostrom & Crawford, 2005; Scott, 2008). This insight is particularly important when identifying the barriers to more equitable relationships. Second, existing research on partnerships has not offered much clarity with regard to the mechanisms through which power is exercised, the topics over which power is exercised and the degree of power exercised. This study seeks to overcome these limitations by using a mixed methodology that is new to partnership research.
2.3 Influence in decision-making

In analyzing power dynamics in partnership, this study draws on the classic work of Dahl (1957) and Bachrach & Baratz (1962). They conceptualise power in terms of influence in decision-making, but offer alternative insights into how influence is exercised. Although the power debate has undoubtedly progressed since these classical studies and some might have add another layer or dimension of power (Arts & Van Tatenhove, 2004; Clegg, 1989; Barnett & Duval, 2005), we believe that many modern power theorists reproduce these classical approaches in their own frameworks. Giddens (1984: 15), for example, feels Bachrach & Baratz are right when distinguishing ‘two faces of power’ which they represent ‘as the capability of actors to enact decisions which they favour on the one hand and the ‘mobilisation of bias’ that is built into institutions on the other’.

For Dahl influence is the ability to prevail over another actor in decision-making. He suggests that ‘A has power over B to the extent to which he can get B to do something that B would not otherwise do’ (Dahl, 1957: 202-203). In conceptualizing influence the focus is on observable conflict resulting from the diverging preferences and interests of the actors involved in decision-making. Dahl analyses influence by examining the outcomes of a series of concrete decisions in which participants have different preferences. The aim is to determine whose preferences eventually prevail or are turned down in the decision-making process (Lukes, 1974).

Bachrach & Baratz (1962) add that influence is not only exercised by prevailing in decision-making but also by affecting the process of agenda-setting. Influence then is also exercised by the exclusion of certain participants and issues from the decision-making arena. Preferences which participants cannot express never reach the agenda and do not become part of decision-making. They thus add the importance of the decision making process to Dahl’s focus on outcomes.

Participants may deliberately keep certain issues from reaching the agenda. This may be achieved by making certain issues taboo, manipulating the norms, rules and procedures that regulate the agenda-setting or forbidding certain participants from entering the decision-making arena altogether. Bachrach & Baratz also draw attention to the ‘rule of anticipated reactions’ referring to situations where one participant is afraid to speak out against another for the fear that the latter will invoke sanctions.

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1 Lukes refers to the work of Dahl and Bachrach & Baratz as the first and second face of power. Lukes’ added a famous third ‘face’ which focuses on the influence derived from shaping one’s thoughts. This study does not include Lukes’ third face in the analysis as it remains a conceptually disputed notion lacking an accepted methodology for its empirical assessment. See Clegg et al (2006) for a discussion.
against him. What all these mechanisms have in common is the fact that they often remain hidden from outsiders who can only see the outcomes of decision-making (Lukes, 1974).

Bachrach & Baratz have proposed that decision-making in agenda-setting may be assessed empirically by establishing whether participants have (overt or covert) grievances. Participants have open grievances when they overtly express their dissatisfaction with certain issues, but are unable to get these grievances on the decision-making agenda. Covert grievances are those that have not been openly voiced and as such remain hidden. Once the grievances have been identified, the aim is to determine the specific mechanisms that keep them from reaching the agenda.

2.4 Methodology and topics

Three private aid agencies were selected for this multiple embedded case study (Yin, 2003): Action Aid (AA), Christian Aid (CA) and Interchurch Organisation for Development Cooperation (ICCO). Table 2.1 below highlights some of their main characteristics. The selection of the agencies was based on the fact that all three agencies (i) work on an international scale on a variety of themes with local partners in developing countries; (ii) emphasise the importance of working in partnership in their policy papers; and (iii) differ in terms of their decision-making structures (centralised vs. decentralised). Young et al. (1999) suggest that private aid agencies using a decentralised decision-making structure are more likely to have democratic decision-making.  

To improve the external validity of the findings, fieldwork was conducted in Ghana, India and Nicaragua which are known to have very different civil society sectors (Heinrich, 2007).  

To empirically assess partners’ influence in decision-making first requires the identification of those topics on which partners’ preferences differ from their agencies or on which grievances exist. An initial literature review (yielding surprisingly few results) was complemented by open interviews with Project-Officers (POs) of ICCO and Southern

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2 Decentralisation here refers to the extent to which the agencies have handed over decision-making authority to decentralised units of the organisation in developing countries. At the time of research, ICCO managed its partnerships centrally from its head office in the Netherlands, CA used country-offices and AA not only worked with country-offices but also with regional offices within countries. By selecting multiple agencies with different decision-making structures, a wider range of experiences and practices could be included in the study.

3 In Nicaragua AA was not included. Despite numerous attempts over a six-month period, AA Nicaragua did not respond to the invitation to participate in the study. In order to maintain the deadline of the study, AA was left out of the Nicaragua study.
NGO-representatives during a pilot phase of the research, making the identification of key topics an integral part of the study. After several iterations a level of saturation was reached resulting in a definitive list of 19 topics (see table 2.2 below). During the fieldwork, the respondents from the different case countries consistently confirmed the relevance of the identified topics.

These topics served as the starting-point of a survey conducted among partners (see appendix 2.2) and in-depth interviews with partners and agency-staff. While the survey mapped decision-making outcomes, the interviews captured the decision-making process. Data-collection took place from November 2007 through September 2008. In total 96 respondents were interviewed, which includes 9 ICCO-staff, 8 CA-staff, 11 AA-staff and 25 ICCO-partners, 21 AA-partners and 22 CA-partners. Questionnaires were administered among all the partner organisations that participated in the study. The partner representatives interviewed and surveyed were those responsible for managing the relations with the agencies. To ensure that the sample was as diverse as possible, the sampling aimed for heterogeneity in thematic focus, size in terms of budget and staff, and geographical spread. To strengthen the validity of the findings, confidentiality was guaranteed to all who participated in the research.

<table>
<thead>
<tr>
<th>Agency</th>
<th>Country and identity</th>
<th>Annual income (euro’s)</th>
<th>Main funding sources</th>
<th>Governance structure</th>
<th># of staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Action Aid</td>
<td>International: human rights based</td>
<td>185.9 mln</td>
<td>Child sponsorship (56%), donations (25%), institutional donors (15%)</td>
<td>Partnerships managed from multiple offices at country-level</td>
<td>2460</td>
</tr>
<tr>
<td>Christian Aid</td>
<td>UK: church-based</td>
<td>109.3 mln</td>
<td>Donations (76%), institutional donors (16%)</td>
<td>Partnerships managed from a single country-office</td>
<td>745</td>
</tr>
<tr>
<td>ICCO</td>
<td>Netherlands: church-based</td>
<td>174.7 mln</td>
<td>Dutch government (77 %), donations (15 %)</td>
<td>Partnerships managed from HQ in Netherlands</td>
<td>233</td>
</tr>
</tbody>
</table>

Source: annual reports (2007) and websites
Chapter 2

2.5 The rules of decision-making

Using the concept of ‘rules of the game’ (Giddens, 1984; Cohen, 1989), this section analyses how decision-making processes and outcomes are affected by the partnerships’ decision-making rules. Within inter-organisational collaboration, actors usually depend upon each other for resources such as money, information or reputation to achieve their

<table>
<thead>
<tr>
<th>Issue area</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size of funding</td>
<td>The total amount of funding that partners receive from an agency</td>
</tr>
<tr>
<td>Period of funding</td>
<td>The time period over which partners receive funding from an agency</td>
</tr>
<tr>
<td>Funding core costs</td>
<td>The use of agency funding for overhead costs</td>
</tr>
<tr>
<td>Theme</td>
<td>The thematic focus of a project</td>
</tr>
<tr>
<td>Target Group</td>
<td>The beneficiaries of a project</td>
</tr>
<tr>
<td>Strategy</td>
<td>The plan used to reach project-objectives</td>
</tr>
<tr>
<td>Project planning</td>
<td>The implementation time table of a project</td>
</tr>
<tr>
<td>Capacity building</td>
<td>The activities aimed at strengthening a partner’s organisational capacity</td>
</tr>
<tr>
<td>Cooperation stakeholders</td>
<td>The stakeholders with which partners cooperate during project implementation</td>
</tr>
<tr>
<td>Format financial report</td>
<td>The framework used for financial reporting to the agency</td>
</tr>
<tr>
<td>Format narrative report</td>
<td>The framework used for narrative reporting to the agency</td>
</tr>
<tr>
<td>Frequency narrative reports</td>
<td>The number of narrative reports that have to be submitted to the agency</td>
</tr>
<tr>
<td>Monitoring</td>
<td>The methodology according to which a project is monitored</td>
</tr>
<tr>
<td>Evaluation</td>
<td>The terms of reference used for evaluating a project</td>
</tr>
<tr>
<td>Thematic areas of interest</td>
<td>The themes in the agency’s policy framework that qualify for funding</td>
</tr>
<tr>
<td>Partnership policy</td>
<td>The policy regarding the mutual rights, roles and responsibilities within the relationship</td>
</tr>
<tr>
<td>Country strategy</td>
<td>The action plan stating how the agency seeks to achieve its objectives with partners at the country level</td>
</tr>
<tr>
<td>Partner selection</td>
<td>The choice of organisations at the country level with whom the agency cooperates</td>
</tr>
<tr>
<td>Allocation of funding</td>
<td>The distribution of agency funding to its partners at the country level</td>
</tr>
</tbody>
</table>

Source: interviews
goals and ensure their survival. Those actors controlling key resources tend to have the authority to set the rules that govern inter-organisational collaboration (Clegg, 1989: 209-218). These rules, which deal with different aspects of actors’ (inter)action, provide stability by offering a framework within which concrete interactions can take place (Klijn, 2001). In this study, the focus is on the actual rules in use related to decision-making, thereby bypassing the distinction between formal (i.e., fixed and authorised in legal texts or documents such as contracts) and informal rules (i.e., ‘routines’ of action established over time).

The rules governing the partnerships were reconstructed on the basis of in-depth interviews with agency-staff and examined through the theoretical lenses of agenda-setting and prevailing in decision-making. This analysis yielded two key findings. First, the rules were found to be unilaterally set by the agencies. Second, with all three agencies, four clusters of topics were ascertained representing four different degrees of participation. The first three clusters represent increasing opportunities for partners to participate in the decision-making, starting with exclusion from decision-making in cluster 1 to the capability to make final decisions in cluster 3. The fourth cluster consists of topics on which participation in decision-making is less consistent and varies from partner to partner. The clustering of AA appeared to differ somewhat from that of ICCO and CA (see tables 2.3 and 2.4).

**Cluster 1: exclusion from decision-making**
The rules in this cluster in principle do not allow partners to set the agenda, let alone give them the capability to make final decisions. Topics belonging to this cluster include the thematic areas of interest, partnership policy, partner selection and the allocation of funding. In the case of AA, it also includes the period of funding and frequency of narrative reporting.

Although the processes used by the three agencies to select their overall thematic areas of interest may differ, they select their thematic areas without the involvement of their partners. Instead, their choice is based on such factors as the experience and input of agency staff at the country level, the existing thematic focus of partners and an analysis of new trends in the international development arena. As a PO of ICCO concludes: “It was an internal process. In the end we as ICCO took that decision without our partners” (interview, August 2, 2007). The same holds true for decisions about the allocation of funding to the different partners.

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4 Overall, ICCO, CA and AA resist the idea of having their partners influence their strategic policy development because they want to stay in control of their organisational identity.
The three agencies also do not involve their partners in the decision-making related to their partnership policy. Although they may individually be allowed to comment on the contracts, partners cannot exert influence on the institutional policies dealing with mutual rights, roles and responsibilities during project-implementation.

**Table 2.3** Partners’ participation in decision-making within ICCO & CA

<table>
<thead>
<tr>
<th>Cluster</th>
<th>Topics in partnership decision-making</th>
<th>Agenda-setting opportunity</th>
<th>Decision-making capability</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>thematic areas of interest, partnership policy, partner selection, allocation of funding</td>
<td>no / ad hoc</td>
<td>no</td>
</tr>
<tr>
<td>2</td>
<td>size of funding, period of funding, country strategy*</td>
<td>yes</td>
<td>no</td>
</tr>
<tr>
<td>3</td>
<td>theme, target group, strategy, project planning, monitoring, cooperation stakeholders</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>4</td>
<td>funding core costs, format financial report, format narrative report, frequency narrative reports, capacity building, evaluation</td>
<td>yes / no</td>
<td>yes / no</td>
</tr>
</tbody>
</table>

* ICCO does not work with country strategies

Source: interviews with agency staff

**Table 2.4** Partners’ participation in decision-making within AA

<table>
<thead>
<tr>
<th>Cluster</th>
<th>Topics in partnership decision-making</th>
<th>Agenda-setting opportunity</th>
<th>Decision-making capability</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>thematic areas of interest, partnership policy, partner selection, allocation of funding, period of funding, frequency of narrative reports</td>
<td>no / ad hoc</td>
<td>no</td>
</tr>
<tr>
<td>2</td>
<td>size of funding, funding of core costs, format financial reports, country strategy</td>
<td>yes</td>
<td>no</td>
</tr>
<tr>
<td>3</td>
<td>theme, target group, strategy, project planning, cooperation stakeholders</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>4</td>
<td>formats narrative reports, capacity building</td>
<td>yes / no</td>
<td>yes / no</td>
</tr>
</tbody>
</table>

Source: interviews with agency staff
With none of the agencies is it standard practice to consult existing partners when selecting new ones, although ad hoc consultations do take place. On occasion, well-trusted partners may be consulted. It is up to agency staff, however, to make the final decision. A PO of CA explains: “If we don’t know about an organisation that seems interesting, we consult our partners. If we don’t get positive feedback we may not move ahead” (interview, August 12, 2008).

**Cluster 2: opportunity to set the agenda**
The second cluster covers those topics where the rules allow partners to set the agenda but deny them final decision-making capability. This includes the size of funding, period of funding and the country strategy. In the case of AA, it also includes the funding of core costs and the format of financial reports.

Regarding the size of funding, the agencies authorise the budget. Partners, however, may have some room to negotiate if the agency feels “that the partner will really need the resources for doing the work” (interview PO CA, August 12, 2008). Partners of ICCO and CA also enjoy some room to negotiate the time period for which they receive funding, while with AA these periods are non-negotiable. While some partners of ICCO and CA have succeeded in getting four years of funding, their bargaining space is usually limited for periods longer than three years. In contrast, AA works with fixed funding time lines depending on activities. For example, partners involved in child sponsorship activities are awarded longer contracts than those that are not.

In developing country strategies, both CA and AA take the input of their partners into account. Both agencies organise extensive consultations where partners provide input and act as a soundboard. Final decisions, however, remain with the agencies if only because “you cannot give your partner too much voting power because you will run the risk of going off track” (interview Head of Programmes AA, April 30, 2008). Although the country strategies have to fit within the overall policy, both CA and AA allow some flexibility at the country-level. In India, for example, the country strategies of CA and AA contain specific sub-themes not present in their overall frameworks.

**Cluster 3: decision-making capability**
The rules of the third cluster allow partners to set the agenda and take final decisions. Principally this cluster relates to project-content: theme, target group, strategy, monitoring, project-planning and cooperation with stakeholders. All three agencies enable their partners to take the final decision on these topics as long as they stay within the boundaries of agency policy (e.g. thematic, target group, strategy-wise).
There is, however, a major difference between the agencies: AA's working relationship with its partners is more 'hands on' compared to that of ICCO and CA. In practice, this implies that partners of ICCO and CA operate more autonomously than those of AA.5

A clear manifestation of this difference are the institutional roles and responsibilities of the agencies’ POs. POs of AA play a (pro-)active role in the implementation of their partners’ projects and meet their partners several times a year to discuss planning, strategy and monitoring decisions. Besides, they are directly involved in the capacity building of partners and communities, and (co-)initiate and manage campaigns. In contrast, POs of ICCO and CA are excluded from direct participation in project-implementation. Their tasks are largely limited to disbursing funds and arranging technical assistance. Their contact with partners is less frequent and intensive, resulting in a more distant relation.

Finally, AA differs regarding monitoring. ICCO and CA leave it up to their partners to do their monitoring as they see fit, although their staff might offer suggestions. AA requires its partners to conduct a so-called a Participatory Reflection and Review Process (PRRP). During the annual PRRPs, which also function as an instrument for ensuring downwards accountability, people from the communities, staff from the partners and POs of AA participate. As long as partners follow the basic principles of the PRRP, they generally have a lot of influence on how and when to conduct them.

Cluster 4: variable application of the rules

Finally, a cluster of topics was identified for which agency rules are flexible and some partners have more influence than others. Topics in this cluster include capacity building, the funding of core costs in the case of ICCO and CA, the formats of financial and narrative reports, the frequency of reporting and evaluation.

In principle, all three agencies feel that partners are in the best position to identify their own capacity building needs. Occasionally, however, agency staff may decide to intervene and impose their capacity building preferences on partners. This happens when a partner’s PO perceives major shortcomings in a partner’s capacity, while the partner is either unwilling to address these issues at all or according to the PO’s preferences.

5 This reflects the underlying differences in the agencies’ approach to partnership. While an elaborate analysis of these differences falls outside the scope of this study, it seems likely that they are related to the agencies’ different organisational histories. ICCO and CA are part of a group of private aid agencies for which partnership has been the modus operandi since the 1970s. In this approach, partnership is an expression of international solidarity, reflecting the desire to work together on the basis of such principles as equality, trust, respect and reciprocity (Fowler, 1998). For AA, however, partnership has only been central to its approach since the early 2000s. Before that, it was a directly operational organisation involved in project-design and implementation (Owusu 2005). As such, AA has traditionally had a strong presence on the ground and this is still clearly present in its partnership approach.
In contrast to AA, ICCO and CA do not have explicit policy guidelines for funding core costs. With them, proposed core funding budgets need to be ‘reasonable’ which means that some partners enjoy more flexibility than others. AA-partners’ influence on the funding of core costs is much more limited due to strict policy guidelines.

None of the three agencies have fixed formats for narrative and financial reporting. In practice, some partners receive explicit reporting instructions while others write their reports without ever receiving comments. Interventions in reporting largely depend on the perceived quality of the reports. In the area of narrative reporting, all three agencies have fixed requirements in principle. ICCO and CA, however, allow some room for negotiation, with some partners reporting bi-annually and others annually. AA’s requirements in this field are non-negotiable although there are differences between Ghana, where partners report quarterly, and India where bi-annual reporting is the norm.

Evaluation practices differ substantially between AA and the other two agencies making a comparison on this topic impossible. For ICCO and CA, partners usually have a major influence on the terms of reference and the choice of evaluators, although the agencies occasionally assume more control even against the wishes of partners. A PO of ICCO explains: “[With evaluations] this differs a lot per partner and per programme. If there are not many problems, generally many things are left to the partner. If there are problems, then ICCO will take more initiative” (interview, August 5, 2008). With AA, the Participatory Reflection and Review Processes reduce the need for separate evaluations. In Ghana, evaluations are hardly conducted at all, while in India project-reviews are conducted every few years by AA-staff.

2.6 Partners’ perceived influence

Figure 2.1 below presents the main outcomes of the survey that was conducted amongst partners. The box plots capture partners’ perceived influence on the 19 key topics in decision-making. The scale represents a continuum of the influence of partners vis-à-vis their agencies. At the lower extreme (1) the agency decides without any influence from the partner on decision-making outcomes, while at the higher extreme (7) partners decide without any agency influence. A score in the middle (4) means joint decision-making and equal influence of both partners and agency on its outcome. Each box plot contains the minimum and maximum, the 25th and 75th percentiles and the averages. Outliers and extremes are represented by circles and stars. The results from the different case countries are surprisingly similar, implying the agencies use the same
rules in different contexts (see appendix 2.1 for the findings at country level).

The four clusters of topics identified in the previous section are clearly reflected in the box plots. With all three agencies clusters one to three represent increasing levels of influence in decision-making, while partners’ influence on topics associated with the fourth cluster varies considerably. Figure 1 also shows that the clustering of ICCO and CA is identical and differs from that of AA. Several topics belonging to the fourth cluster with ICCO and CA (funding core costs, format financial reports, frequency narrative reports) are part of the first and second cluster of AA. In addition, the period of funding falls under the second cluster with ICCO and CA but under the first cluster with AA.

Topics belonging to the first cluster score a two or lower meaning that with these topics partners perceive the agencies to make the final decision while having little to no influence on the outcomes themselves. This is consistent with the fact that the rules restrict participation in decision-making to ad hoc agenda-setting at best. With all three agencies, the topics in this cluster thus relate to their policy (thematic areas of interest, partnership policy, partner selection and allocation of funding).

Topics in the second cluster have an average score of around two with scores ranging typically from one to three and a few partners ranking their influence with a four. Partners’ influence here thus varies from no influence to equal influence. As the rules associated with the second cluster allow partners to set the agenda but deny decision-making capability, these findings suggest that while some partners have less influence than is allowed by the rules, other have more.

Topics belonging to the third cluster score on average score around six with scores ranging from four to six. In principle, partners’ influence thus runs from joint-decision-making to full autonomy. Again, a few partners appear to have less influence than allowed by the rules. With all three agencies, the topics in this cluster relate to the project-content (theme, target group, strategy, project-planning and cooperation with stakeholders).

As expected, topics in the fourth cluster vary considerably with scores ranging from one to seven on most topics. This implies that partners’ influence varies between partners. It makes sense that this cluster is much larger in the case of ICCO and CA considering that their rules are less strict and explicit than those of AA.
**Figure 2.1** Partners' perceived influence

Note that ‘country strategy’ in the case of ICCO and ‘monitoring’ and ‘evaluation’ in the case of AA are not included in the figure. Source: survey among partners.
2.7 Towards explaining the differences: project-officers and organisationalcapacity

The variations between and within clusters begs the question as to what determines these differences. Discussions with partners and agencies revealed two central forces at stake here: (1) the role of POs and (2) partners’ organisational capacity.

POs act as mediators between agency prescribed rules and partners who are required to abide by them. They are responsible for interpreting institutional policies and ensuring proper translation into action, but they also have to deal with the demands and needs of their partners. Whereas rules should ensure uniform behaviour, POs’ actions are characterised by a degree of subjectivity as “you cannot eliminate the personal element” (interview PO AA, September 15, 2008). There are thus differences in POs’ willingness to hand over decision-making authority and bend the rules. The former then refers to POs displaying dominant behaviour and controlling decision-making, the latter to PO’s preparedness to allow for exceptions to the rules. Experiences range from POs pursuing their own agendas to POs demonstrating ‘solidarity’ when partners could not deliver or suffered financial difficulties. For POs themselves trust is the key factor affecting their behaviour towards partners. They are more inclined to interpreting rules flexibly when they trust a partner. Some of the well-trusted partners enjoy special privileges such as relaxed reporting requirements, more core-funding and more capacity building support.

The above finding does not mean that partners are merely passive actors at the mercy of agency rules and POs. On the contrary, their leverage in decision-making in clusters two to four is also seen as related to their organisational capacity in which four types of resources are identified as crucial: The first critical resource is, not surprisingly, money (also see Ebrahim, 2002; Hudock, 1995; Lister, 2000). Agency-staff and partners not only express the latter’s relative dependence on their agency primarily in terms of money but interviews also clearly revealed (1) that partners able to raise funding from multiple sources are in a stronger position to negotiate, (2) that the fear of losing funding acts as a barrier for raising ideas, preferences or criticisms, and (3) that this funding-fear may lead some partners to reshape their organisational preferences to fall in line with agency priorities.

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6 This finding does not come at a surprise. March and Olsen (1989: 23-24) argue that the application of rules is always subject to interpretation. The more vague and abstract the rules are, the more room there is for alternative interpretations.

7 This list is by no means meant to be exhaustive but it does contain those resources put forward most strongly by partners and agency-staff.
The second key resource is having a reputation of a credible organisation which improves partners’ attractiveness towards funding agencies and hence their ability to raise funding and to negotiate. Credibility is partly derived from organisational characteristics commonly associated with enhanced organisational legitimacy (e.g. ideology, membership, board composition and linkages with the grassroots level). Furthermore, it is associated with the ability to deliver results and be accountable. In effect, in all three case countries partners with a strong reputation had funding agencies coming to them, instead of the other way around. The underlying idea of symbiotic relationships (see Michael, 2004; Sanyal 2006) was clearly explained by a CA-partner: “We do believe that Christian Aid needs us as badly as we need them. With our work we give them a lot of visibility, particularly compared to some of their other partners. This is what gives us power” (interview, September 24, 2008).

The third critical resource identified is knowledge and expertise. A partner without a well-defined vision and clear-cut ideas is not in a position to defend its organisational agenda. In addition, knowledge and expertise are needed for all operations and thus for reaching and sustaining a position in which one can have leverage in decision-making. Of particular importance then are, according to respondents, knowledge of donor trends, thematic knowledge, and skills in such fields as (report) writing, research, management and accounting.

Finally, the size of a partner is identified as the fourth critical resource. Large organisations are generally attractive to the agencies because their large outreach enables them to make a significant impact. In addition, being associated with a large partner improves the agencies’ own visibility. This coincides with the findings of Michael (2004: 24-25) who also points out that large organisations are attractive because of their ability to absorb large amount of funding while spending relatively low amounts on support, monitoring and evaluation.

Looking more closely at these capacity issues as explanations for differences in partners’ influence, it is important to point again to the variation between AA and CA/ICCO. The argument then is that AA-partners tend to have a weaker organisational capacity than those of ICCO and CA. This is mainly because AA has a community-centred approach and primarily works with grassroots organisations. In contrast, ICCO and CA prefer to work with larger and established NGOs.

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8 The aspect of size seems to be less applicable to AA because of its explicit preference to work with grassroots organisations.
9 Grassroots organisations are known for their relative weakness in terms of organisational capacity.
While the finding that strong partners have more leverage than their weaker peers suggests that the country context is relevant (some countries are known to have stronger civil society sectors than others), this does not clearly emerge from the data. This discrepancy may be caused by the agencies’ explicit preference for specific partners. As these preferences are consistently applied in the different countries where the agencies work, they may further diminish the relevance of the country context.

### 2.8 Conclusions

The analysis shows that partners’ influence is determined above all by the rules that regulate decision-making. Four clusters of decision-making topics are identified reflecting different degrees of partners’ participation in decision-making. On some topics, partners have no influence at all while on others they have virtual autonomy. Overall, partners appear to have the least influence on topics related to agency policy and funding, and the most influence on topics related to project-content. Despite the uniformity brought about by the rules, some partners have more influence than others, depending on their organisational capacity and their respective project-officer. At the policy level, however, the rules are all-determining, leaving little opportunity for project-officers to amend them and for partners (irrespective of their organisational capacity) to influence decision-making.

The three agencies show remarkable consistency in these general conclusions. However, on a number of topics partners of AA have considerably less influence compared to those of ICCO and CA, implying that a more decentralised approach does not necessarily reduce power asymmetries. These differences can be attributed to: (1) the stricter nature of AA’s rules; (2) the relational approach of AA which is characterised by more PO-involvement; and (3) AA’s preference for grassroots partners as opposed to ICCO’s and CA’s preference for more established partners. The study finds few differences between the case countries in terms of partners’ influence underlining the importance and consistent application of the rules.

This study makes two particular sets of contributions to our understanding of power asymmetries within partnerships while, at the same time, offering tangible starting-points to those agencies wishing to enter into more equitable partnerships. First, it shows what partnership power asymmetries are about in practice by identifying 19 actual topics that are crucial in partnership decision-making. By doing so, it offers a common frame for joint problem analysis and solution finding. Second, the findings
illustrate that institutional rules are of paramount importance by enabling and constraining partners’ influence in decision-making. As such, those agencies looking for more equitable partnerships should decide for each of the different topics in decision-making whether a redesign of the rules is desirable.
## Appendix 2.1 Partners’ perceived influence per country

<table>
<thead>
<tr>
<th>topic</th>
<th>ICCO</th>
<th>Christian Aid</th>
<th>Action Aid</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ind</td>
<td>Gha</td>
<td>Nic</td>
</tr>
<tr>
<td>thematic areas of interest</td>
<td>1,00</td>
<td>1,14</td>
<td>1,63</td>
</tr>
<tr>
<td>partnership policy</td>
<td>1,00</td>
<td>1,00</td>
<td>1</td>
</tr>
<tr>
<td>choice of partners</td>
<td>1,40</td>
<td>1,29</td>
<td>1,14</td>
</tr>
<tr>
<td>allocation of funding</td>
<td>1,00</td>
<td>1,00</td>
<td>1,00</td>
</tr>
<tr>
<td>size of funding</td>
<td>2,67</td>
<td>1,67</td>
<td>2,14</td>
</tr>
<tr>
<td>period of funding</td>
<td>1,56</td>
<td>2,00</td>
<td>3,00</td>
</tr>
<tr>
<td>country strategy</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>strategy</td>
<td>6,80</td>
<td>5,57</td>
<td>5,63</td>
</tr>
<tr>
<td>theme</td>
<td>6,60</td>
<td>4,80</td>
<td>5,20</td>
</tr>
<tr>
<td>project-planning</td>
<td>6,40</td>
<td>5,71</td>
<td>5,88</td>
</tr>
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Source: survey
Appendix 2.2  Partnership questionnaire

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<table>
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<th>Donor makes final decision, you have some influence on outcome</th>
<th>Donor makes final decision, you have a lot of influence on outcome</th>
<th>Donor and your organisation have equal influence on outcome</th>
<th>You make final decision, donor has a lot of influence on outcome</th>
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Donor policy-level

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<th>Donor and your organisation have equal influence on outcome</th>
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Keeping body and soul together: Southern NGOs’ strategic responses to donor constraints

**Abstract:** Most Southern Non-Governmental Organisations (SNGOs) depend on donor agencies for their survival. To qualify for donor funding, SNGOs typically have to meet a range of funding conditions. Critics argue that donor requirements may have undesirable consequences. Based on qualitative research involving 53 SNGOs in India and Ghana, this study explores (1) the (potentially) adverse effects of donor conditions on SNGOs and (2) the strategies that SNGOs employ to deal with these conditions. We demonstrate that certain donor conditions are difficult to reconcile with a view of development that emphasises local ownership and a strong and autonomous civil society. We also show that SNGOs employ a multitude of strategies to deal with adverse donor conditions, highlighting that they are not powerless in their relations with donors. Yet, these strategies are not always available to all organisations and may have undesired consequences.

**Keywords:** accountability; donors; donor conditionality; Non-Governmental Organisations; strategic responses; power asymmetries; organisational behaviour
3.1 Introduction

Relationships between donor agencies and SNGOs are characterised by resource dependence, often resulting in power asymmetries. Through their funding conditions, donors are known to exercise influence over SNGOs’ project-design and implementation (Lister, 2000; Michael 2004), set requirements for monitoring, reporting and evaluation (Bornstein, 2003; Ebrahim, 2002; Ashman, 2001; Elbers & Schulpens, 2011) and earmark funding to specific activities (Michael, 2004; Bornstein, 2003). Critics suggest that donor conditions may have all kinds of undesirable consequences, including the invalidation of participatory approaches, reduced cultural sensitivity, weakened ties with the grassroots level and a dilution of core values (Hailey, 2000; Wallace et al., 2006). Earlier research on the power asymmetries between donors and SNGOs has emphasised the former’s domination over the latter, painting a rather bleak picture of SNGOs’ ability to pursue their own preferences and neutralise adverse donor constraints.

Drawing upon qualitative research involving 53 SNGOs in Ghana and India, this study asks two interrelated questions which thus far have not been systematically addressed in the literature: (i) What makes donor conditions problematic given the importance attached to local ownership and the strength and autonomy of SNGOs and (ii) how do SNGOs strategically try to manage those conditions they consider to be problematic?

We start by framing the research within the debate on the power asymmetries in donor-SNGO relations and the undesirable effects of donor conditionality. After having discussed issues related to methodology, we address our research questions. We rely for this on two separate analytical steps. First, we identify the range of donor conditions SNGOs are commonly confronted with and assess their consequences in light of the importance attached to a strong and autonomous civil society and local ownership. Second, based on an iteration process between the organisational institutionalist literature on the one hand and our empirical findings from the field on the other, we construct a typology of SNGOs’ strategic responses to donor conditions. The study concludes with a deliberation on the implications of the findings for SNGOs and donor agencies.

3.2 Donor conditions and power asymmetries

In the pursuit of their mission, most SNGOs depend on donor agencies for their survival (Tvedt, 2006; Riddell, 2007). Although there are variations between countries, local opportunities for fund-raising in developing countries are often limited or caught in
red-tapeism. Very few SNGOs can sustain themselves by membership or service fees (Fowler, 2000a). Moreover, local state authorities or corporate foundations do not allow their funding to be used in activities that could be perceived as political (Michael, 2004). SNGOs’ financial dependence on donors is known to result in power asymmetries (see Ebrahim, 2002; Hudock, 1995; Fowler, 2000b; Fernando, 2007; Lister, 2000, Ashman, 2001; Morse & McNamara, 2006; Brinkerhoff, 2002). Numerous studies have shown that the qualities that SNGOs bring to the relationship, such as local knowledge, grassroots linkages, implementation capacity and cultural understanding, do not yield the same leverage during negotiations as the funds which donors bring along. In addition, funding agencies are known to develop their policies with limited participation from Southern ‘partners’ (Lister, 2001; Elbers & Schulpen, 2011). Consequently, critics argue that development agendas are being dominated by donors (Mawdsley et al., 2002) and that SNGOs’ ability to elaborate and pursue alternative notions of development has largely disappeared (Townsend et al., 2004). As such, the literature on development NGOs consistently depicts SNGOs as wielding the shorter end of the power stick.

There are indications that the power imbalances - which have always existed in donor-SNGO relations - have worsened in recent years. Aid is not fulfilling its promise and public doubts about its legitimacy and effectiveness have increased. Fuelled by the ideas and practices of managerialism, donor agencies have tightened control and accountability measures to improve effectiveness, efficiency and transparency (Wallace et al., 2006; Roberts et al., 2005). This has resulted in the widespread adoption of ‘professional’ standards in such areas as impact measurement, planning and accountability, more tightly defined programmatic policies and a shift towards more contractual relationships (Mawdsley et al., 2002; Hailey, 2000; Roberts et al., 2005, Desai & Snavely, 2007). In addition, donors are increasingly moving away from flexible core funding arrangements towards earmarked funding (Wallace et al., 2006).

There is a relative small but growing literature dealing with the negative impact of donor conditions on SNGOs. As donor requirements have become more demanding and relationships have become more formal, SNGOs are increasingly forced to operate as sub-contractors in a competitive environment (Hailey, 2000). The emphasis on demonstrating tangible results and accountability is said to depoliticise organisations and turn them into mere ‘implementers’ of donor policy (Bornstein, 2003). Markowitz & Tice (2002) observed, for example, how exposure to ‘professional’ requirements transformed a grassroots-oriented organisation with an activist outlook into a professional service delivery organisation. Not only did the organisation lose its grassroots linkages but its internal decision-making became highly hierarchical. Wallace
et al. (2006) showed that rational planning tools do not go well together with people-centred approaches to development. More specifically, they illustrated that the emphasis on control and planning for predictable outcomes is difficult to reconcile with approaches that are characterised by a considerable degree of unpredictability and emphasise process over product. Critics point out that it is increasingly difficult for SNGOs to retain those elements which made them different compared to companies or bi- and multilateral agencies in the first place: cultural sensitivities, participatory approaches, close grassroots linkages and a strong intrinsic motivation (Hailey, 2000).

A common theme running through the above studies is that the increasingly ‘professional’ nature of donor demands undermines the added value of SNGOs. In this study, we go beyond this perspective by examining the impact of donor conditions on two dimensions that have not yet been systematically assessed: (1) the strength and autonomy of SNGOs; and (2) SNGOs’ ownership of development interventions. In the literature, it is widely recognised that SNGOs have to be strong and autonomous if they are to effectively contribute to poverty reduction and democratic governance (Mercer, 2002; Biekart, 1999; Edwards 2004; Fox, 1996). In a similar vein, development thinking generally recognises that local organisations are to assume control over the design and implementation of development interventions if these are to be effective and sustainable (Fowler, 1997; Chambers, 1997; Hoksbergen, 2005; OECD, 2005). As such, the choice of these two dimensions reflects a focus on those aspects that are perceived to be critical preconditions for effective private development aid.

We believe it is crucial to combine an analysis of the (negative) impact of donor conditions with an exploration of SNGOs’ ability to manage these conditions. Given the tendency in the literature to portray SNGOs as having little leverage to resist donor pressures, it is not surprising that, as of yet, no study has systematically assessed the range of strategies used by SNGOs to strategically manage their donors’ demands. This has led to a somewhat caricaturised image of donor-SNGO relations, in which the former are (too much) depicted as the pull down partner in an asymmetrical power structure, based on financial dependence (Harrison, 2007). Although North-South power asymmetries cannot be denied in the field of development assistance, the question is whether they are as absolute as suggested. Giddens (1984) deploys the concept of dialectics of control to express that any partner in whatever relationship is always able to employ at least some countervailing power. He even dares to use the example of the executioner and his victim. Even the latter can always affect the former, however small these effects may be. Giddens uses this concept as a response to power theorists such as Lukes (1974) or Foucault (1994) who he believes tend to overvalue power structures.
at the expense of agencies’ capabilities. In the second part of this study, we explore Gidden’s perspective empirically while drawing simultaneously upon organisational institutionalist theory (DiMaggio & Powell, 1983; Meyer & Rowan, 1977) for conceptual guidance. By combining an examination of the adverse effects of donor conditions with an analysis of SNGOs’ ability to manage these conditions, we contribute to a more balanced power perspective of donor-SNGO relations.

3.3 Data and methods

For this study, we draw on interviews with NGOs in Ghana and India conducted over a period of eight months in 2008. Given the research aim of exploring the wide range of SNGOs’ experiences with - and responses to - adverse donor conditions, capturing as much variety as possible was the main consideration of our sampling strategy. By selecting NGOs from two countries known to have vastly different civil society sectors (Heinrich, 2007), a wider range of organisations, experiences and practices could be included in the study. To maximise the likelihood of finding different types of strategic behaviour, the sampling strategy aimed for variation. To ensure sufficient diversity, SNGOs were selected on their thematic focus, size in terms of budget and staff, and geographical spread. In total, 53 organisations participated in the study, 24 in Ghana and 29 in India.

The data collected for this study consists of semi-structured interviews with NGO leaders. This enabled us to systematically collect sensitive data while allowing respondents to share experiences and interpretations based on their own perspectives and also bring up issues not covered by the interview guide. Respondents were those responsible for managing the relations with donor agencies. This was usually the managing director or equivalent. Interviews typically lasted between one and two hours and were all conducted face-to-face. In several cases SNGOs were interviewed twice when the initial interview was particularly rewarding. Data-collection continued until the point was reached that additional interviews merely confirmed earlier findings while not yielding any new information. All interviews were recorded and transcribed for analysis.

Data analysis consisted of two stages: (1) coding of interview transcripts, and (2) analyzing the pattern of relationships among the codes. We first fractured the data into three broad main categories: donor conditions, problems associated with these conditions and strategic responses. While analysing the data belonging to each main category, we worked iteratively between the transcripts and relevant literature to
develop appropriate codes to further 'open up' the data. Only when analyzing SNGOs' strategic responses, codes were explicitly derived from (institutional) theory. In the course of the analysis, we revised and elaborated our initial ideas by tracing patterns and (in)consistencies between the different interviews and codes. Existing codes were modified to create simpler, more robust codes that could be more clearly related to each other (see Strauss and Corbin, 1998). The results of our exercise allowed us to systematically explore, identify and illustrate (the problems associated with) donor conditions and SNGOs' strategic responses to them.

We believe that our sample of 53 SNGOs was sufficient to capture the full range of (the problems associated with) donor conditions and SNGOs' strategic responses to them. The fact that the donor conditions encountered in this study have become part and parcel of the field of international development (see also Mawdsley et al., 2002; Bornstein, 2003; Wallace et al., 2006; Michael, 2004) makes it likely that the experiences captured here are not unique to the SNGOs in our sample. Whether or not some problems associated with donor conditions are more common than others or some strategies are more frequently employed, however, remains beyond the scope of this study. To improve the validity of the research, confidentiality was promised to respondents. In addition, an earlier version of this chapter was shared with some of the SNGOs that participated in this study for feedback purposes. While this yielded several small refinements, it did not result in any major changes.

3.4 The undesirable consequences of donor conditions

In this study we define donor conditions as the requirements that SNGOs must adhere to in pre-finance, project, or post-project phases, to qualify for financial support from donor agencies (Wallace et al., 2006: 12). Donors in our analysis are those organisations that provide official private development funding. This definition includes bi- and multilateral agencies, private aid agencies and charitable foundations. Below, we first briefly outline the range of donor conditions we encountered in our fieldwork. We then continue examining the adverse effects of these conditions on (1) SNGOs' strength and autonomy and (2) their ownership over development interventions.

The nature of donor conditions

We found that donor conditions cover three main areas: project-design and planning, accountability, and the structuring of funds (see table 3.1). While different donors each
have specific conditions attached to their funding, those listed in table 3.1 are all widely encountered by the SNGOs that participated in this study.

### Table 3.1  The main areas of donor conditions

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<th>Project-design and planning</th>
<th>Accountability</th>
<th>Funding arrangements</th>
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<td>- project funding</td>
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<td>- reporting formats</td>
<td>- earmarking</td>
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<td>- gender</td>
<td>- separate bank accounts</td>
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<tr>
<td>- logical framework</td>
<td>- independent auditing</td>
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</tbody>
</table>

Source: own analysis based on interviews

The first set of conditions relates to project-design and planning. Virtually all donors work with requirements that outline the type of projects they seek to support (see also Elbers & Schulpen, 2011; Michael, 2004). Criteria usually include (sub-) themes, target groups, strategies and geographical areas. Most donors have ‘mainstreamed’ gender into their programmatic policies, meaning that all projects should take gender equality into account. In addition, many donors encourage the use of logical frameworks to articulate project goals and the means by which to achieve these using indicators for measuring and verifying progress (see also Wallace et al., 2006). While there are differences between donor agencies, the emphasis is usually on planning for predictable outcomes.

A second set of requirements relates to SNGOs’ (upwards) accountability and addresses financial and project-performance. Most donors expect periodical narrative and financial reports which review the progress and performance of projects against the goals, intended results, indicators, time lines and budgets formulated in the original contracts (see also Ebrahim 2002, 2005). Donors also typically expect SNGOs to use specific reporting formats and require a separate bank account designated for the project they fund. Also, SNGOs are usually required to undergo evaluations and independent financial audits.

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1 Other normative criteria - like good governance and sustainability - are also conditional, but not followed as strictly as gender, both for the SNGO itself and for its projects.
A third set of conditions deals with the funding arrangement itself. Most donors earmark their funds to particular expenses and many do not allow their grantees to use their funds to cover overhead costs (e.g. for capital costs, human resources and fundraising) (see also Michael, 2004). Furthermore, donors work with fixed time periods for which they provide funding, typically ranging from one to three years. Also, some donors require their grantees to display the donor’s name, for example, in public statements or on vehicles (branding).

**Consequences for SNGOs’ strength and autonomy**

Donors’ unwillingness to fund overhead costs has an enormous impact on SNGOs’ ability to sustain and strengthen themselves:

They just give you enough money to cover stationary costs…. But it creates huge problems. Because how do you function, how do you pay your rent, how do you keep your staff, how do you build and maintain your expertise? […] You can’t grow your organisation on that kind of funding (interview, 31 March, 2008).

Respondents in Ghana as well as India explained that they struggled to build and sustain their organisation. A range of problems were brought forward, including attracting and retaining quality staff, investing in research and staff development and devoting time and resources to learning. Several of the organisations claimed to be living from hand to mouth due the lack of core funding. Also, in the absence of core funds, respondents pointed out that they had a difficult time diversifying their resource base and finding the capital necessary to invest in opportunities for internal revenue generation.2 Several respondents pointed out that donors’ unwillingness to fund core costs actually creates perverse incentives:

Then you start pushing you expenses under so many things [in the budget]. Because you know that if you don’t inflate the budget, you will surely get problems later (interview, 31 March, 2008).

Such behaviour, as another respondent noted, breeds mistrust in the relationship. This is problematic as organisations are only transparent if they know that sharing problems or constraints will not result in the termination of the funding relationship.

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2 Michael (2004: 134-139) and Bornstein (2003: 400-401) observed similar problems related to the unwillingness of donors to fund core costs, illustrating that those outlined here are not unique to the SNGOs in our sample.
Chapter 3

The above outlined problems emerge from the lack of core funding, but they are amplified by the short funding periods and one-off contracts favoured by some donors. Such funding arrangements do not offer the stability needed to build and maintain expertise. In addition, they also undermine SNGOs’ ability to undertake long-term planning:

The length of the contract is crucial if you want to develop a vision for your organisation. To make long term plans, you need stability over a longer period of time. And this implies that you need to get a predictable amount per year (interview, 19 March, 2008).

Respondents pointed out that they, due to short-term and one-off funding arrangements, had to spend a lot of time and resources chasing funds. Not surprisingly, they strongly prefer funding from donors known for favouring long-term relations.³

Many respondents shared experiences on how they were forced to divert considerable time and resources away from their core activities due to extensive accountability requirements (see Wallace et al., 2006 and Markowitz & Tice, 2002 for similar observations). While some donors are flexible in terms of formatting and request only one report per year, others demand monthly financial and narrative reports following specific formats. An Indian NGO, for example, had four donors which each required separate bank accounts, separate narrative and financial reports based on separate reporting formats. To meet these reporting requirements, the organisation recruited highly educated staff with the explicit purpose of collecting and processing data and writing the (English-language) reports. Only a few organisations were encountered that managed to negotiate one shared report to satisfy multiple donors simultaneously.⁴

Finally, numerous SNGOs, due to the lack of core funding support, short-term and one-off contracts, met with huge problems in remaining consistent with their original mission. Ideally, a SNGOs’ mission is the fundamental expression of what the organisation stands for, capturing its identity and providing focus for action. While some SNGOs did not appear to attach too much attention to remaining consistent to their mission, many others felt it was crucial:

³ Respondents also argued that short-term and one-off funding arrangement are problematic because they do not allow trust-building and learning which they considered essential for effective relationships.
⁴ Several respondents considered the collection and processing of data and report-writing to be a major source of frustration and cynicism. Not only did they feel that the reports were of little use to their own organisation, but the lack of feedback also made them doubt whether the reports were actually used.
When you start changing your mission, the nature of your organisation changes. You tend to forget your cause, or whatever it is you started fighting for. You start following the buzzwords, like HIV or climate change, you merely become a project holder. […] I’ve seen it happening with many organisations (interview, 28 August, 2008).

Respondents explained that mission constancy is also crucial for building and maintaining expertise in a certain field. Furthermore, they pointed out that it largely determines whether an organisation is perceived as solid, trustworthy and having its constituents’ interest at heart. For SNGOs lacking core funding support and a stable inflow of funds, however, taking a principled stance or being too critical to donors is not always an option.

**Consequences for local ownership**

Numerous respondents shared experiences of donors whose programmatic criteria were so tightly defined that the respective organisations had problems pursuing local priorities. A Ghanaian NGO-leader explains that in such cases “donors see you as an implementer of their ideas, not as the one who has to take the lead in transforming society” (interview, 28 April, 2008). While some SNGO-leaders did not appear to have any problems following donors’ preferences, many felt it undermined their work because it caused difficulties in tailoring projects to local realities and being responsive to locally defined needs. During the fieldwork, several organisations were encountered whose work had very little to do with being responsive to local needs.

Donor conditions not only affect the orientation of projects, but also the way in which they are designed and planned. Where organisations are forced to work in a manner that goes against their own principles, priorities or learning practices, local ownership is undermined (see also Wallace et al., 2006; Mawdsley et al., 2002). Numerous organisations, for example, explained how they had been forced into ‘mainstreaming’ gender or HIV/AIDS components into their projects although they were not convinced of their relevance. Several SNGOs also pointed out that their project-design revolved around the necessity to demonstrate tangible outcomes, even though their own interest was in the process: “It seems to me that they are not interested in how you get there. How did it empower them? What can we learn? For us, these are the things that matter” (interview, 13 April, 2008). Other respondents explained that they, due to ‘tight’ funding arrangements, were refraining from experimentation and innovation.
The rigidness of some donors when it comes to allowing SNGOs to deviate from the original planning of a project undermines the latter’s responsiveness to changes in the project-environment. SNGOs are usually required to submit detailed work plans which they are contractually compelled to follow during implementation. The commonly used logical framework, in itself, is known to be a rather rigid planning tool: “By the time you reach the third year [of the project] a lot of the context has changed and your own approaches have evolved. But you are stuck with a log frame that you wrote three years ago” (interview, 24 September, 2008). A degree of flexibility is considered to be essential for successful implementation because the original logic of a project often does not hold in practice and unexpected changes in the environment are common. Numerous experiences were shared, however, of donors that did not allow any deviation from the original project-documents even though local circumstances had completely changed due to unexpected events.5

The earmarking of funds to particular activities or causes, which makes it impossible to transfer funds earmarked for one purpose to another, further limits flexibility during implementation. A Ghanaian NGO-leader shares his experiences:

Through their reporting requirements donors have a lot of influence over what is happening on the ground. Many of them are involved in micro-management, everything has to be exactly according to what was written in the project-document. […] It limits your flexibility. For example, if the project-document listed a four wheel drive, some donors do not allow you to change this into four motorbikes, even when these are cheaper (interview, 2 May, 2008).

Respondents emphasised that with complex long-term projects it is impossible to foresee everything in advance.

Many of the NGO-leaders also pointed out that, due to the way funding is structured, they had great difficulties ensuring the sustainability of ongoing projects. For SNGOs having to work with short-term and one-off contracts, the sustainability of projects is often a constant cause of concern (see also Michael, 2004). Several respondents referred to perfectly successful projects that collapsed at the end of the contract-period, because they had not succeeded in finding a new donor on time:

5 Respondents also pointed out that some types of work are simply not compatible with planning for predictable outcomes. The leader of a Ghanaian NGO involved in peace and reconciliation, for example, explained how a donor required detailed outcome predications years in advance, while this is simply impossible with peace and reconciliation dynamics.
We had a project in girls’ education which started to become very successful, but then just before the ending of the contract, they [donor] changed their policy. They said they changed to water and sanitation and stopped the funding. We couldn’t find a new donor on time and everything we had built up collapsed. […] It was a disaster that nearly caused the end of the organisation (interview, 13 April, 2008).

The leader of this NGO explained that due the collapse of the project, his organisation could no longer meet the expectations of local stakeholders resulting in tensions and a loss of credibility. Moreover, he was forced to fire skilled and experienced staff.

In sum, our findings illustrate that donor conditions have a profound impact on SNGOs and the activities they undertake. Specific configurations of donor conditions were identified that do not go well together with the importance attached to local ownership and a strong and autonomous civil society. In that sense our findings reveal a certain paradox: while donor conditions are often motivated by improving effectiveness and efficiency, they may have the opposite effect in practice. The fact that several of our findings correspond with the outcomes of other studies (see Bornstein, 2003; Markowitz & Tice, 2002; Mawdsley et al., 2002, Michael, 2004; Wallace et al., 2006) further illustrates how widespread the problems associated with donor conditions are.

### 3.5 Strategic responses to conflicting donor conditions

Strategic responses are understood as conscious and active responses of SNGOs to (the opportunities or problems associated with) donor conditions. Given the complexity of organisational behaviour, conceptual guidance for systematically identifying SNGOs’ strategic responses to donor conditions is required. The development NGO literature offers very little guidance in this respect. Organisational institutionalist theory (DiMaggio & Powell, 1983; Meyer & Rowan, 1977), however, offers a rich body of literature that sheds light on organisational behaviour. Most of the earlier institutional work focused on conformity to institutional pressures (see DiMaggio & Powell, 1983). By following accepted standards or procedures and engaging in activities considered to be relevant by key stakeholders, organisations secure their legitimacy in the eyes of those stakeholders. Organisations not in conformity with external rules or standards are often perceived to be illegitimate, thus undermining their ability to attract resources and affecting their survival (Suchman, 1995; Scott, 2008).
Since the 1990s, institutionalist scholars have shown that organisations do much more than passively complying with environmental pressures (see Ashfort & Gibbs, 1990; Edelman, 1992; Suchman, 1995; Oliver, 1991; DiMaggio, 1988). Although a number of institutional scholars have explored organisational responses to adverse institutional pressures, a coherent typology in this field has not yet been developed. We therefore integrated existing literature on strategic responses with the findings from our own research to develop a new typology. Our typology distinguishes between organisational strategies on the basis of their aim. Based on an iteration process between the institutional literature on the one hand and our empirical findings on the other, we identify four major organisational strategies:

1. **Organisations may try to avoid interaction with stakeholders** (Oliver, 1991; Tschirhart, 1996). By preventing exposure of the organisation to adverse institutional pressures, organisations may succeed in avoiding the need of having to compromise altogether.

2. **Organisations may try to influence the contents of institutional pressures** (DiMaggio, 1988; Oliver, 1991; Alexander, 1998). By changing the very nature of the institutional pressures, organisations may succeed in eliminating or minimizing their problematic content.

3. **Organisations may try to buffer themselves against unavoidable institutional pressures** (Alexander, 1998; Thompson, 1967). When a degree of compliance is simply inevitable, organisations may take compensatory measures to minimise the negative effects of institutional pressures.

4. **Organisations may try to portray themselves in a positive light towards stakeholders** (Meyer & Rowan, 1977; Ashfort & Gibbs, 1990; Elsbach & Sutton, 1992; Ebrahim, 2002). By manipulating the perceptions of their donors, organisations may improve their chances to qualify for, or secure the inflow of, funds while averting the necessity to change themselves or their activities.

SNGOs appeared to pursue the above strategies in different ways which we refer to in our typology as 'tactics'. The tactics mentioned in table 3.2 were all identified from an analysis of our own data. Our analysis also showed that the different strategies and tactics do not exclude each other. In fact, most SNGOs employ multiple tactics simultaneously.

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6 Existing typologies, for example, Ashfort and Gibbs (1990), Oliver (1991) or Alexander (1998) do not classify strategic behaviour from the explicit perspective of mitigating conflicting institutional pressures.
Avoiding refers to a set of tactics aimed at limiting or avoiding interaction with stakeholders whose conditions are considered problematic (see also Oliver, 1991; Tschirhart, 1996). The SNGOs in this study considered avoiding a superior strategy as its utilisation is completely independent from donors. Three avoiding tactics were identified: selecting, rejecting and exiting.

**Selecting** is a pro-active tactic based on making sure that the organisation only enters into relations with donors known to have compatible conditions. The director of a Ghanaian NGO involved in lobby and advocacy illustrates:

> Before we approach any new donors, we grade candidates on a number of criteria. We look at their mode of operation, their ideology, where they get their money from, that kind of thing, [...] to make sure that we don’t have to compromise on our principles (interview, 28 April, 2008).

Many of SNGOs that participated in the study, especially the older more experienced ones, appeared to be very much familiar with the ‘market’ of donor agencies. SNGOs learn about the compatibility of donors from their own experiences, by scanning the websites and policy papers of donors and by sharing experiences with other SNGOs. At

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<th>Strategy</th>
<th>Aim</th>
<th>Tactic</th>
<th>Description</th>
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<td>Prevent exposure to donor conditions</td>
<td>Selecting</td>
<td>NGO limits contact to compatible donors</td>
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<td>Rejecting</td>
<td>NGO turns down funding-offers</td>
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<td>Exiting</td>
<td>NGO terminates funding relations</td>
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<tr>
<td>Influencing</td>
<td>Change content of donor conditions</td>
<td>Negotiating</td>
<td>NGO uses mutual dependence as leverage</td>
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<td>Involving</td>
<td>NGO personally engages donor-representatives</td>
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<td>Buffering</td>
<td>Mitigate impact of unavoidable donor conditions</td>
<td>Shielding</td>
<td>NGO insulates key parts from exposure</td>
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<td>Compensating</td>
<td>NGO offsets problems with discretionary funds</td>
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<td>Portraying</td>
<td>Pretend compliance with donor conditions</td>
<td>Window dressing</td>
<td>NGO conforms superficially</td>
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<td>Misrepresenting</td>
<td>NGO forwards inaccurate information</td>
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source: own analysis based on interviews

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Table 3.2  SNGOs’ strategic responses to adverse donor conditions

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the same time, however, respondents pointed out that being too selective is not always viable, especially when the organisation is in desperate need of funds.

Rejecting is a reactive tactic which occurs when an SNGO turns down a funding offer due to conflictive conditions. The director of an Indian NGO involved in rural development shares his experiences:

> We have been offered big money which would have made our life very comfortable but we rejected the offer because compromising on our principles would have led to a much deeper decay (interview, 6 September, 2008).

Rejecting is a tactic that is not always viable, particularly when the organisation has its back to the wall financially. A positive side effect of rejecting is that it gets the message out that the SNGO refuses to be compromised, which in fact may increase its attractiveness to donors.

Exiting is a tactic in which a SNGO terminates an existing relation with a donor to avoid exposure to newly imposed donor conditions. The leader of an Indian NGO involved in women’s empowerment illustrates this as follows:

> We’ve always run our organisation with the idea of being able to walk away [from a financial relation with a donor] at any time. And we have done it once, when they [a donor] wanted us to do things we found unacceptable (interview, 18 September, 2008).

Like rejecting, exiting is not a tactic most NGOs will pursue easily. A Ghanaian NGO-leader explains how resource dependence made him decide not to terminate his relation with his main donor although he was forced to accept an approach he did not really support: ‘I have my pride and I have my mission, but the way I look at it, it is better to keep my twenty staff working’ (interview, 25 April, 2008).

Influencing

Influencing refers to a set of tactics in which an SNGO attempts to eliminate or minimise the problematic content of donor conditions (see also DiMaggio, 1988; Oliver, 1991; Alexander, 1998). Three different influence tactics were identified: negotiating, persuading and involving. What these tactics have in common is that they are almost always about ‘creating an exception to the rule’. In other words, very few SNGOs were encountered that claimed to have actually influenced the policies underlying conflicting donor conditions.
Negotiating is a tactic in which organisations derive their influence from the mutual dependence that exists between donors and SNGOs. While SNGOs need funding agencies for their financial survival, donor agencies need to be seen funding successful organisations that can communicate their successes to achieve their own goals. Due to the agencies’ need to demonstrate success, solid performance and credibility enhances SNGOs’ attractiveness towards funding agencies and hence increases their leverage in decision-making. As such, negotiating is a strategy which is usually only available to strong performing or otherwise attractive SNGOs. A Ghanaian organisation explains that ‘[with regard to funding] we have reached a point in which donors call us, we don’t call them. That completely changes the way you negotiate, because they need you more than you need them’ (interview, 28 March, 2008). Some of the more established SNGOs further improved their ability to negotiate by funding part of the project-budget themselves, or by bringing multiple donors to the negotiation table thus limiting the influence of individual funders.

Persuading is a tactic based on providing convincing arguments. Unlike negotiating, in which SNGOs use funding agencies’ need for success to enforce their preferences, persuading ultimately depends on the quality of the argumentation and the susceptibility of donor-representatives. As such, it usually implies a degree of personal contact and trust to be present. ‘Mostly you try to reason with them, providing arguments in the hope of convincing them, for example, that their new policy will hurt the sustainability of the project or cause problems with our constituents’ (interview, 28 August, 2008). One way of making arguments more convincing is by backing them up with ‘proof’. An Indian NGO working in the field of HIV/AIDS, for example, explained that its success in dealing with donor agencies was due to its research capacity: ‘Once you have the figures to show that your approach works, it is very difficult for them [donors] to push you in another direction’ (interview, 1 September, 2008).

Involving is a tactic based on influencing donor-representatives by engaging them on a personal level in the SNGOs’ work. Respondents explained that this creates an understanding, whether it is based on sympathy, flattery, guilt or pity, which goes beyond the ‘paper reality’ of narrative reports. As a result ‘it makes them understand our work better, also why we have certain expenses’ (interview Ghanaian NGO-leader, 3 April, 2008). Similar to persuading, frequent face-to-face contact and the presence of trust were identified by respondents as preconditions. As such, it is not surprising that respondents considered the frequent changing of donor-representatives to be one of the most frustrating aspects in their relationships with donor agencies.
Buffering

Buffering refers to a set of tactics aimed at taking measures to neutralise, or at least minimise the negative effects of unavoidable donor conditions (see also Alexander, 1996, 1998; Thompson, 1967). SNGOs were found to have two buffering tactics at their disposal: shielding and compensating.

Shielding is a tactic aimed at insulating certain key parts or activities of the organisation from exposure. By complying only partially in certain areas, the organisation protects itself against the most adverse effects of donor conditions. For example, the director of an Indian NGO involved in disaster management explained how he managed the field visits of one of its donors:

We had experience with our team on the ground being seriously demoralised by these people [donor-representatives] making uninformed and negative comments. So what we do now is make sure that there is always someone from the office who deals with donor relations, who acts as a shield and literally tries to keep them apart (interview, 24 September, 2008).

Shielding is a tactic that only works to a limited extent, as overdoing it is likely to get noticed at a certain point in time.

Compensating is a tactic in which SNGOs draw money from other sources to cover those parts which donor agencies are unwilling to fund. These parts may relate to, for example, overhead costs or less ‘sexy’ project-activities. A Ghanaian NGO involved in community development, for example, explains that ‘there are certain things that our donor will not fund, but we feel are crucial to the organisation, like our core costs and our social accountability process. We get these things covered with funding from other sources’ (interview, 13 April, 2008). As highlighted by this example, having alternative sources of funding is essential for the compensating tactic. Most organisations participating in the study therefore tried to diversify their resource base, for example, by means of consultancy work or renting out buildings. Two organisations were encountered that had established a separate consultancy unit, with the aim of providing its NGO counterpart with discretionary funds.

Portraying

Portraying refers to a set of responses deliberately aimed at manipulating the perceptions of funders regarding SNGOs’ compliance with donor conditions (see also Meyer & Rowan, 1977; Ashfort & Gibbs, 1990; Elsbach & Sutton, 1992; Ebrahim, 2002). The
SNGOs in this study were found to use three tactics when portraying: window dressing, withholding and misrepresenting.

Window-dressing is a tactic in which SNGOs conform only superficially to donor conditions without changing actual core tasks or procedures. It involves meeting the most highly visible donor demands in order to send a clear signal to funders. The SNGOs participating in this study gave many examples of window-dressing. Several organisations, for example, admitted that their board, gender policy or strategic plan had a mainly symbolic function. Several respondents pointed out that window-dressing is a potentially dangerous strategy ‘because credibility is very key if you want to stay alive in the NGO-world. If you are caught, the results will be disastrous’ (interview, 31 March, 2008).

Withholding is a tactic which involves suppressing information regarding SNGOs’ organisation, activities or outcomes which would likely undermine their legitimacy in the eyes of donors. SNGOs may be concerned that openly sharing certain information might lead to misinterpretation or unwanted interference in their activities. As a result, they release information selectively, withholding information that could put the organisation at a disadvantage with a donor. Several respondents, for example, admitted they had emphasised successes and downplayed failures in their reporting. An SNGO-leader explained how he did not provide full disclosure about his organisation’s sources of funding in his financial reporting as he feared that this would result in reduced overhead contributions in the future.

Misrepresenting is a tactic in which SNGOs intentionally forward inaccurate information to donors. It is a tactic that organisations might use when they think that providing accurate information would be harmful for them. There are degrees of misrepresentation. Several respondents admitted to routinely making ‘conservative’ estimates regarding their overhead costs when submitting a proposal, redirecting budgets already spent on other initiatives to a new project thus meeting ‘matching’ monies requirements, or redefining budget line items previously associated with project-implementation as planning costs. As pointed out by the leader of a Ghanaian NGO ‘when you work in an NGO you have to be clever, you have to be operating within the legal limits of accounting procedures to survive’ (interview, 1 April, 2008).
3.6 Conclusions and outlook

This study explores (1) the (potentially) adverse consequences of donor conditions on the strength and autonomy of SNGOs and their ownership over development interventions, and (2) the strategies used by SNGOs to manage donor constraints. It makes three contributions to the literature.

First, it systematically captures the full range of conditions that donors attach to their funding as well as the problems associated with them from the perspective of SNGOs. Our findings demonstrate that certain configurations of donor conditions undermine SNGOs’ strength and autonomy and the local ownership of development interventions. We find that unwillingness to fund overhead costs, short funding periods, single contracts and excessive accountability requirements make it difficult for SNGOs to diversify and secure their resource base, to attract and retain high-quality staff, invest in research, long-term planning and organisational learning and remain consistent with their original mission. In a similar vein, tightly defined programmatic frameworks, the priority of outcomes over processes, tight funding arrangements, short-term funding periods and single contracts make it difficult for SNGOs to pursue local priorities, experiment and innovate, engage in process-oriented activities, respond to unexpected events and ensure sustainable outcomes.

Second, we show that SNGOs use a range of strategies to manage donor constraints, highlighting that they are not powerless in their relations with funders. More specifically, we have developed a coherent typology of SNGOs’ strategic responses to adverse donor conditions, which consists of four main strategies: portraying, avoiding, influencing and buffering. Our analysis shows that most of the available strategies require alternative sources of funding, (a track record of) strong performance, or personal contact with a degree of trust. When these are not present, SNGOs may have limited choice but resort to manipulating the perceptions of donors.

Third, this study implies a change agenda on the part of donors. Our findings urge donors to recognise that they themselves contribute to undesirable SNGO-behaviour. Unworkable donor conditions lie at the basis of SNGO-strategies aimed at manipulating donor-perceptions. As such, donors themselves are largely to blame for breeding mistrust, creating and maintaining a virtual reality and reducing the potential for learning. Ultimately, we demonstrate that major inconsistencies exist between what donors perceive to be critical preconditions for effective private development aid and their actual practices. This means that donors should either revise their starting-points regarding effective private development aid or change their behaviour towards SNGOs.
Corridors of power: the institutional design of NGO partnerships for development

1 A version of this chapter is under review in *Third World Quarterly*. 
Abstract: Power asymmetries within partnerships between private aid agencies and Southern NGOs are thought to be undesirable. Based on a comparative case study of the partnerships between three private aid agencies and their partners in Ghana, India and Nicaragua, this study examines how the partnerships’ institutional design affects local partners’ room to manoeuvre. It is demonstrated that (1) the agencies unilaterally set the rules that govern the partnerships, based on their own norms, values and beliefs; (2) similarities and differences between the rules of the three agencies can above all be attributed to the corresponding and diverging nature of their norms, values and beliefs; (3) informal rules allow more flexibility in their use. Whether this is beneficial for partners’ room to manoeuvre depends on individual project-officers, who are responsible for interpreting and applying the rules, and partners’ ability to conduct negotiations.

Keywords: partnership; NGOs; private aid agencies; rules; institutional design; power; room to manoeuvre
4.1 Introduction

In their partnerships with private aid agencies, Southern NGOs (SNGOs) usually wield the shorter end of the power stick. This is considered problematic as equitable relations are thought to be of key importance for ensuring local ownership and private aid agencies’ added value in the aid system (Fowler, 2000: 1-13; Edwards & Fowler, 2002: 1-11; Malhotra, 2000: 655–668; Wallace et al., 2006). In this study we examine the power dynamics within NGO partnerships from an institutional perspective employing the concept of ‘rules of the game’. This perspective improves our understanding of the power dynamics within partnerships and offers tangible starting points for those private aid agencies wishing to enter into more equitable relationships.

Drawing upon qualitative research involving the partnerships between three private aid agencies (Action Aid, Christian Aid, and Interchurch Organisation for Development Cooperation) and their local partners in Ghana, India, and Nicaragua, this study asks the following questions: What are the institutional rules in the partnerships of the three agencies, what explains their main similarities and differences, and how do they affect local partners’ room to manoeuvre? To demarcate the study, the analysis focuses on the rules related to three areas: project-design and implementation, accountability and capacity building. All three areas are central to NGO partnerships and address long-existing debates regarding the donor-driven nature of aid interventions (Fowler, 2000; Malhotra, 2000), accountability (Ebrahim, 2003: 813-829; Jordan & van Tuijl, 2006), and civil society building (Biekart, 1999; Lewis & Kanji, 2009: 130).

We start by reviewing the existing literature on partnership and power, highlighting the added value of our own contribution. Next, we discuss our theoretical framework which focuses on the concept of ‘rules of the game’. After a short discussion of our methodology, we continue analysing the rules related to project-design and implementation, accountability and capacity building and how these affect partners’ room to manoeuvre. Finally, we summarise our main findings and reflect upon their meaning in light of the debate on partnership.

4.2 Partnership and power

Partnerships are associated with a range of unique advantages and qualities not present in other types of institutional relationships. From a pragmatic perspective, partnerships are a response to complex problems in which partners can build on each other’s comparative
advantages through a rational division of labour. Through their complementary roles, partners can achieve goals they could never reach by themselves (Brinkerhoff & Brinkerhoff, 2004: 253-270). Most authors emphasise, however, that it is their value-based nature that makes partnerships so different from other types of institutional relationships. Qualities commonly associated with partnership include shared goals, balance of power, shared responsibilities, trust, mutual respect and accountability, reflecting the ideal of a mutually dependent relationship based on equality (Abrahamsen, 2004: 1453–67; Fowler, 2000; Lister, 2000; 227–239; Johnson & Wilson, 2006: 71–80).

In the NGO-literature at least two reasons can be found as to why equal relations are so important in the private aid channel. First, it is generally assumed that equal relations are a precondition for ensuring the necessary ownership for effective and sustainable development interventions (Ashman, 2001: 74-98; Fowler, 1997; Lister, 2000) and civil society strengthening (Brehm, 2004; Hoksbergen, 2005: 16-27; Mawdsley et al., 2002). Second, private aid agencies derive part of their legitimacy from the claim that they – as opposed to bi- or multilateral aid agencies - are able to have high quality relationships with their partners. Edwards & Fowler (2002) point out that those private aid agencies that are unable to maintain equitable relationships risk losing their added value in the aid system.

Much of what is written on partnerships is about the discrepancy between the ideal view on partnership and the reality which is characterised by inequality. Critics have termed partnership a 'Trojan Horse', disguising the reality of relationships characterised by power asymmetries (Fowler, 2000). Resource dependence is known to have a major impact on the power dynamics within partnerships, often resulting in donor-recipient behaviour (Ebrahim, 2002: 85-13; Hudock, 1995; Lister, 2000: 227–239; Michael, 2004). Private aid agencies have been reported to dominate partnership decision-making (Lister, 2000; Michael, 2004) and enforce ‘rational’ management practices in such fields as planning, monitoring, financial management and performance measurement (Wallace et al., 2006; Mawdsley et al., 2002). Studies have shown how SNGOs were forced to re-align their orientation to match changing donor priorities, shifting their focus away from areas that were key to local beneficiaries and their original mission (Markowitz & Tice, 2002: 941-958; Wallace et al., 2006). Such findings have cast doubts on the perceived benefits of NGO partnerships as well as the added value of private aid agencies.

As of yet, no study has offered tangible starting-points to those private aid agencies wishing to systematically redesign the way in which their partnerships are organised. Several authors have offered advice for making partnerships more equitable, such as minimizing financial dependence (Hudock, 1995), providing capacity building support (Hudock, 1997: 589-596, 1999; Michael, 2004), improving access to decision-making
(Elbers & Schulpen, 2011), more flexible and long-term funding arrangements (Michael, 2004), more frequent communication (Hoksbergen, 2005: 16-27; Mawdsley et al., 2005), embracing mutual transparency and accountability mechanisms (Malhotra, 2000) and building personal relations based on trust (Mawdsley et al., 2002, 2005). While the above suggestions are certainly useful, they remain at the level of general recommendations. This study addresses some of the limitations of existing literature by analysing the institutional design of partnerships from a neo-institutional perspective (Scott, 2008; March & Olsen, 1989). Such a perspective not only represents an original theoretical approach for analysing partnership power asymmetries, it also enables us to make theory-informed recommendations to those private aid agencies wishing to redesign their partnerships.

4.3 Rules and rule-guided behaviour

We analyse partners’ room to manoeuvre within partnerships using the concept of ‘rules of the game’. This concept, derived from new institutionalism in organisational sociology, departs from the idea that human behaviour takes place within socially constructed frameworks (Hall & Taylor, 1996: 936-957; Scott, 2008; Schmidt, 2008: 303–326). These frameworks are conceptualised as ‘rules’ defining the structural possibilities and constraints regarding actors’ ability to act. The concept of rules is particularly suitable for our purpose because rules are known for playing a key role in consolidating and reproducing power imbalances within institutional arrangements (Klijn, 2001: 133-164; Clegg, 1989: 212; Barnett & Duvall, 2005: 52).

What are rules and what do they do?

Rules define which actions are allowed, required and forbidden within institutional arrangements. They clarify the rights, obligations, roles and responsibilities of actors, regulate interaction and standardise procedures (Ostrom & Crawford, 2005: 186-216). A distinction can be made between formal and informal rules. Formal rules are fixed and authorised in legal texts (e.g. policy papers, contracts) and focus on legal boundaries, particularly contractual rights and obligations. Actors adhere to formal rules because they are contractually compelled to do so while failure to comply often involves sanctions. Informal rules have a more tacit character and typically remain unspoken despite everybody knowing of their existence. Over time they often become internalised and achieve a ‘taken for granted’ status (Giddens, 1984; Cohen, 1989).
Rules do not emerge from a vacuum. They are derived from and embedded in prevailing norms, values and beliefs (Scott, 2008). Norms are standards of appropriateness that reflect prevailing ideals and priorities (values). In a society that attaches importance to gender equality, for example, one can expect the notion of gender equality to be reflected in formal legislation. Beliefs are cognitive frames which actors use to interpret problems and judge meaningful solutions. In the context of international development, for example, private aid agencies with a neo-liberal outlook will have completely different strategies to address poverty than those that are part of the trade justice movement.

Although rules serve to ensure uniform behaviour over longer time periods, they are not static. Giddens’ (1984) notion of ‘the duality of structures’ already pointed out that structures exhibit a dual role by being both the medium and the outcome of the practices they regulate. Likewise, in institutional arrangements, rules are formed, confirmed and changed over time in response to specific circumstances (Klijn, 2001; Klijn & Koppejan, 2004).

While rules signify uniform behaviour, their application is not always uniform. Rules that exist on paper may be ignored in practice. Moreover, rules require interpretation and adaptation in light of particular situations before they can be applied or followed (March & Olsen, 1989). Particularly when rules are ambiguous, conflictive or when more than one rule is applicable, misunderstandings may occur. Overall, rules often show a degree of flexibility, depending on their interpretation and application (Klijn, 2001; Ostrom & Crawford, 2005: 186-216).

Rules directly affect power dynamics within institutional arrangements (Giddens, 1984; Barnett & Duvall, 2005: 39-75). Most importantly, they regulate actors’ rights and obligations, participation in decision-making, the distribution of resources and the ability to evoke sanctions. As rights and obligations tend to be unequally divided among actors, rules solidify existing power inequalities. This not only implies that rules tend to reflect prevailing power asymmetries within arrangements, but also that power dynamics often cannot be changed without addressing the rules (Klijn, 2001).

**Classifying rules**

Several authors have developed rule typologies to systematically analyse institutional arrangements (Burns & Flam, 1987; Klijn, 2001; Ostrom & Crawford, 2005). Since Ostrom’s typology is the most extensively documented and widely used in empirical research, this study uses her classification which identifies seven rules based on their aim: scope, position, aggregation, choice, boundary, information and payoff (see table 4.1 below).
1. **Boundary rules** define which actors qualify for entering or leaving institutional arrangements. In partnerships, the boundary rules determine how partners are selected and when they have to leave.

2. **Scope rules** determine the nature, or characteristics, of the outcomes aimed at in institutional arrangements. The scope rules of partnerships usually include focus areas and strategies.

3. **Position rules** define the different positions in institutional arrangements and responsibilities (roles) associated with each position. The position of a private aid agency is often connected to providing funds while that of local partner relates to project-implementation.

4. **Choice rules** specify the rights and obligations associated with different positions in institutional arrangements. Partners, for example, have the right to implement projects as contractually agreed upon, but need to get permission before deviating from the contract.

5. **Aggregation rules** specify the extent to which actors can participate in decision-making within institutional arrangements. These rules, for instance, determine partners’ ability to set agendas and take final decisions regarding project-design.

6. **Information rules** determine the exchange of information in institutional arrangements such as how (often) partners have to report to their agencies and vice versa.

7. **Pay-off rules** define the performance standards and determine the rewards and sanctions for (sub-standard) achievement. They determine, for example, how the agencies assess and reward their partners’ project-performance.

This study does not examine the full extent of each of the rules outlined above. Instead, it limits itself to those aspects most relevant for the areas of project-design and implementation, accountability and capacity building. Moreover, we focus only on those formal and informal rules actually in use. Given the overlap between different types of rules, this study explicitly takes their mutual interaction into account. Boundary rules are not included in the analysis, as the study focuses on already established partnerships. To understand the differences and similarities between the rules, we look at the norms, values and beliefs underlying them. Due to the interpretation rules require, the analysis explicitly allows for the role of those individuals responsible for interpreting and applying the rules.
4.4 Methodology

To gain a comprehensive understanding of how rules affect partners’ room to manoeuvre within partnerships and observe effects that otherwise would have remained unnoticed, we opted for a comparative case study (Yin, 2003). The selection of Action Aid (AA), Christian Aid (CA) and Interchurch Organisation for Development Cooperation (ICCO) is based on three criteria (see Table 4.2 for their main characteristics). First, all three work internationally with local partners in developing countries. Second, they explicitly claim to attach importance to working in partnership. Third, their decision-making structures represent different degrees of decentralisation, increasing the likelihood of finding variation in the rules and enabling us to make optimal use of the comparative research design.¹ To improve the external validity of the findings,

¹ At the time of writing, ICCO was transforming its governance structure into an international network organisation. When the fieldwork was conducted the new governance model was not yet operational, meaning that the findings presented here do not represent ICCO’s new model.

Table 4.1 Rules and their content

<table>
<thead>
<tr>
<th>Type of rule</th>
<th>Content</th>
<th>Key questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>boundary</td>
<td>entry and exit</td>
<td>• Which (type of) actors may participate?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Who decides who is in and who is out?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Which criteria are used for selection?</td>
</tr>
<tr>
<td>scope</td>
<td>outcomes</td>
<td>• What are the outcomes to be achieved?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• What characteristics should outcomes have?</td>
</tr>
<tr>
<td>position</td>
<td>roles</td>
<td>• What positions exist?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• What responsibilities are associated with different positions?</td>
</tr>
<tr>
<td>choice</td>
<td>actions</td>
<td>• What are the rights and obligations of different actors?</td>
</tr>
<tr>
<td>aggregation</td>
<td>decision-making</td>
<td>• What is the level of actors’ participation in decision-making?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• On which topics do they participate and in which decision-making stage?</td>
</tr>
<tr>
<td>information</td>
<td>information</td>
<td>• What type of information do actors have to exchange and how frequently?</td>
</tr>
<tr>
<td></td>
<td>exchange</td>
<td></td>
</tr>
<tr>
<td>payoff</td>
<td>performance</td>
<td>• How is performance defined and measured?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• What are the consequences of excellent or poor performance?</td>
</tr>
</tbody>
</table>

Source: adapted from Ostrom and Crawford (2005: 193-210)
fieldwork was conducted in Ghana, India and Nicaragua because they are known to have very different NGO-sectors.²

<table>
<thead>
<tr>
<th>Table 4.2 Partnership cases</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Agency</strong></td>
</tr>
<tr>
<td>Action Aid</td>
</tr>
<tr>
<td>Christian Aid</td>
</tr>
<tr>
<td>ICCO</td>
</tr>
</tbody>
</table>

Data-collection took place from November 2007 through September 2008, using both in-depth interviews and documentary analysis. In-depth interviewing is an appropriate method for reconstructing institutional rules (Klijn, 2001). A total of 96 respondents were interviewed, which was sufficient to reach the point of data-saturation. This included 25 ICCO-partners, 21 AA partners and 22 CA partners. Interviewed partner-representatives consisted of those persons responsible for managing donor-relations, mostly the managing director or equivalent. Regarding the agencies, nearly all interviewees consisted of Project-Officers (POs) responsible for managing partner relations, although a few high-ranking staff-members were also included.³ In total, nine staff members of ICCO, eight of CA and eleven of AA were interviewed. To ensure that the participating partners were as diverse as possible, we used the following selection-criteria: thematic focus, size in terms of budget and staff, geographical location and partnership age.

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² AA was not included in Nicaragua. Despite numerous attempts over a six-month period, AA Nicaragua did not respond to the invitation to participate in the study. To maintain the deadline of the study, it was left out of the Nicaragua study.

³ Project-Officers are also referred to as ‘desk officers’, ‘country officers’ or ‘program officers’ (Fernando, 2007).
In addition to the interviews, we analysed the agencies’ policy papers and contracts. The combination of interviewing and documentary analysis served three purposes. First, it enabled us to improve the validity of the findings by means of data-triangulation. Second, it enabled us to establish which rules were formally captured and which ones remained informal. Third, it enabled us to establish which of the formal rules were in actual use. Although rules typically evolve over time, they did not change during the period of our fieldwork. As such, our analysis does not take the temporal dimension of rules into account. To demarcate the study, data-collection and analysis was limited to those rules related to three areas: project-design and implementation, accountability and capacity building.

All interviews were recorded and transcribed for analysis. Both documents and interview transcripts were analysed through selective coding utilizing Ostrom’s rule typology with the software package Atlas.ti (see Strauss & Corbain, 1998). While establishing patterns in the data, specific attention was paid to the impact of rules on the partners’ room to manoeuvre and the main differences and similarities between the agencies. For explaining the latter, we explicitly looked at the norms, values and beliefs underlying the rules. Exploring issues related to equity in partnerships is sensitive as interviewees may be reluctant to criticise each other in ongoing relationships (Ashman, 2001). To improve validity, confidentiality was promised to all respondents.

4.5 Reconstructing institutional rules

Project-design and implementation
Within project-design and implementation, the scope rules define the characteristics that project-outcomes should have to be perceived as legitimate in the eyes of the agencies. All three agencies work with strategic policy frameworks that formally capture the areas in which they seek to achieve outcomes (AA, 2004; CA, 2005; ICCO, 2007). In (unilaterally) determining these areas, ICCO, CA and AA use specified criteria adapted to the local and regional context (for example, related to theme, geographical focus, target group) (AA, 2005a; CA, 2006; ICCO, 2008a). For partners, these criteria are crucial as they determine funding possibilities.4

4 The agencies explained that they are reluctant to involve their partners when setting the rules. Not only do they feel that this touches upon their organisational identity, but there is also the risk of a conflict of interests. It is difficult to expect that partners will, for example, support policy changes that would disqualify them from future funding.
With all agencies, the scope rules allow a degree of flexibility to partners. Partly because "criteria are formulated in [...] a broad manner", but also because Project Officers (POs) might leave the specifics to their partners as long as they "stay in that broad theme" (interview PO Action Aid Ghana, 18 April, 2008). This flexibility is clearly described by a PO of ICCO, who successfully managed to re-label the thematic focus of several of her favourite partners within her department in order to keep them onboard when ICCO changed its policy priorities (Interview PO ICCO, 1 July, 2008).

Underlying the formal priority areas are the agencies’ beliefs regarding their own role in achieving outcomes. Here AA differs considerably from ICCO and CA. The latter agencies believe that sustainable and locally-owned outcomes can only be reached when they limit their support to providing the means which enable partners to do the work themselves. For them, the only legitimate outcomes are those that are fully owned by the partner. Partners are consequently granted a lot of autonomy in project-design and implementation.

In contrast, AA views strong staff involvement at the ground-level as a key strength. This legitimises AA to take a pro-active role in their partners’ work if only because the formulation of “policies and programs is impossible without solid interaction with [...] people and partners on the ground on a day-to-day basis” (interview Head of Programmes AA India, 30 September, 2008). We will demonstrate below that the discrepancies between the agencies’ views regarding their own role in achieving social change are relevant because they form the basis of many other differences between their rules in project-design and implementation.

In the partnerships of ICCO, CA and AA, mutual roles and accompanying responsibilities (position rules) are formalised in the project-contracts (ICCO, 2008b; AA, 2008b; CA, 2008b). Overall, the agencies identify the same roles when it comes to project-design and implementation: partners are supposed to develop and implement projects and the agencies provide the necessary support for partners to do their job. This division of roles is relevant as it authorises the partners of all three agencies to take the lead in designing and implementing projects. Agencies may give “feedback, share ideas or help out when there are problems but in the end [the partner has] to make it happen” (interview PO CA Ghana, 5 May, 2008).

The agencies differ, however, in that AA defines its supportive role more proactively. With a strong presence ‘on the ground’, AA-staff regularly meet with partners to discuss ongoing planning and strategizing and if necessary directly participates during implementation. In contrast, ICCO and CA’s supportive role is more distant with their staff having no direct involvement in implementation. Consequently, contact with partners is less frequent and intensive.
Once projects fit the requirements of the scope rules, the *aggregation rules* subsequently determine the partners’ influence in decision-making. Both similarities and differences are found between the agencies in this respect. While none of them has formalised aggregation rules for project-design and implementation, they all explicitly share the norm that agency-staff should refrain from abusing their power. They differ considerably, however, regarding the autonomy they give partners in decision-making. Within AA, the norm is that key decisions related to project-design and implementation are to be made jointly. With ICCO and CA, agency-involvement largely remains limited to assessing whether projects fit within the policy frameworks and meet quality-standards.

While these differences between the agencies are consistently reported by agency-staff and partners in the different case countries, several exceptions were encountered. Several AA partners operated largely autonomously, while some ICCO and CA partners worked closely with their PO. Overall, this seems directly related to the informal nature of the aggregation rules, which allows both partners and POs a degree of flexibility. Strong and trusted partners with multiple donors, a well-defined vision, clear-cut ideas on how to achieve results, an extensive track record, a large outreach and a good reputation are able to use their capabilities to increase their leverage in decision-making. “The influence that partners have [thus] also depends on whether they are a mature organisation” (interview PO CA, 5 May, 2008).

Some POs are less dominant than others and the absence of clearly defined and formalised aggregation rules results in some POs handing over more decision-making authority than others. According to an AA partner in Ghana “in the end you deal with individuals and some allocate more power to themselves than others” (interview partner AA Ghana, 21 April, 2008). Long-term partners of all three agencies repeatedly refer to changes in their (power) relation when a new PO takes charge.

Finally, the *choice rules* – which define mutual rights and obligations – are important for partners’ room to manoeuvre regarding project-design and implementation. The choice rules in this field, which have been drafted by the agencies, can be found in the project-contracts. Partners of each agency in all three case countries have the contractual right or obligation to implement their projects according to the action-plan outlined in the project-contract. Once agreement has been reached, agencies “cannot suddenly demand something completely different”. Equally, partners “need permission [to] change [the project themselves] when there is a significant change in [their] environment” (interview, partner CA Ghana, 28 April, 2008). As discussed in the next section, many of the rules related to accountability revolve around partners’ compliance with the choice rules in project-design and implementation.
In sum, the rules for scope, position, aggregation and choice are crucial for enabling and limiting partners’ room to manoeuvre in the field of project-design and implementation. Differences between the rules, which have been unilaterally established by the agencies, can be attributed to differences in the nature of the agencies’ norms, values and beliefs. Overall, the rules of ICCO and CA allow partners more autonomy than those of AA. In those cases where rules are broadly formulated (scope rules) or remain informal (aggregation rules), they allow a degree of flexibility. Whether partners’ can use this flexibility depends on their respective PO and their organisational capacity.

**Accountability**

All agencies emphasise the importance of accountability in their policy papers (ICCO, 2008a; CA, 2006; CA, 2005). Central to this is the partners’ accountability to their agencies. The latter not only want to know whether their funds are spent well, their own legitimacy also (partly) depends on such accountability. Besides legal requirements, the agencies have to satisfy various demands, including those of their back-donors and supporters. Project-outcomes thus need to be achieved in an accountable manner to be perceived as legitimate by the agencies. This ties accountability directly to the agencies’ *scope rules* and authorises them to ensure their partners’ accountability in practice.

A key difference between the agencies is that AA, unlike ICCO and CA, strongly emphasises downwards accountability. Its outlook and procedures regarding accountability are extensively (and formally) captured in its Accountability, Learning and Planning System (ALPS) which is used in all countries in which AA operates. The ALPS seeks to empower poor people by emphasizing community participation, downwards accountability to poor people and learning from successes and failures together with them (AA, 2006). As participation and downwards accountability are regarded essential for both project-performance and AA’s own legitimacy, the ALPS not only reflects AA’s norms and values but is also central to its belief of how social change occurs. The ALPS directly relates to AA’s *scope rules* because it only considers those outcomes legitimate that are achieved in a participatory and downwards accountable manner. This authorises AA to pro-actively ensure this downwards accountability.

ICCO and CA do mention the importance of community participation and downwards accountability (see ICCO, 2008a; CA, 2007) but these notions are neither explicitly defined nor translated into formalised requirements. In practice, and reflecting their belief of how change occurs, they feel that downward accountability is not something they should impose upon partners. On the contrary, partners are viewed as
“best placed to understand and represent the needs and interests of poor people’ and are thus the ones that ‘should decide how to be accountable to their target groups” (interview PO ICCO India, 1 February, 2008).

The contracts used by all three agencies explicitly outline the formal roles and responsibilities (*position rules*) regarding accountability. Partners are expected to be fully accountable to their agencies while the latter regard it as their role to ensure this in practice. Overall, the position rules are relevant because they authorise the agencies to define accountability requirements, monitor their compliance and impose rewards and sanctions based on the partners’ performance. Partners, on the other hand, are expected to comply with the accountability requirements associated with their position. In the case of AA, partners are also expected to be downwards accountable.

The *information rules* affect the nature of information exchange within the partnerships. They are detailed in the project-contracts and are largely similar between the agencies and case countries. The contracts include such information requirements as periodical narrative and financial reports, audits, evaluations, visits of agency-staff, and the obligation to inform about organisational changes, other donors, unexpected events affecting implementation and (suspected) misapplication of funds.

In the case of AA, partners also have contractual obligations for ensuring downwards accountability. The most important instrument for this is the Participatory Reflection and Review Process (PRRP), which aims to assess what the partner has achieved, what has been learned and what needs to be done differently in the future (AA, 2006). Partners are compelled to conduct them at least annually. In these PRRPs not only the communities and the partner participate, but also a PO of AA. It provides the latter with firsthand knowledge and experience of the situation at the grassroots level.

There are only few formal information requirements that hold for agencies themselves. In fact, accountability from agencies to partners is only mentioned at a high level of abstraction in the contracts. Consequently, the information going to partners does not follow fixed formats or periodical cycles but is largely informal and ad hoc. POs pass on information that they consider important to their partners, for example, about changes in agency policy or funding opportunities. Much, however, depends on individual POs as long-term partners of all three agencies refer to changes in the flow of information when a new PO takes charge.

AA does differ from the other two agencies in the sense that it explicitly discloses financial information to its partners. Partners of ICCO and CA usually do not know how much funding is available when project proposals are negotiated. This knowledge-gap directly affects the power relation as partners feel it makes “desk officers very powerful”
and creates uncertainty whether changes proposed by POs are due to “real financial constraints or […] other considerations” (interview partner CA Ghana, 22 April, 2008).

Partners’ influence in negotiating the content of their accountability requirements are outlined in the aggregation rules. Although these requirements are primarily non-negotiable, three aspects are not formally captured and therefore remain flexible. First, partners enjoy considerable flexibility in writing financial and narrative reports as none of the agencies works with fixed reporting formats. Whether POs intervene usually depends on the quality of reports and the strictness of the respective PO. Second, some partners of ICCO and CA manage to negotiate relaxed reporting requirements as they are allowed to deviate from the bi-annual norm. POs of these agencies dedicate this divergence to the fact that the partners in question are long-standing, well-trusted and high performing. In the case of AA where quarterly reporting is the norm in Ghana and bi-annual reporting in India, no partners with reduced reporting requirements were encountered. Third, in preparing evaluations, some partners have more influence than others. While partners of all three agencies are contractually compelled to conduct evaluations, the prevailing norm is that they have considerable autonomy in determining their content. In all case countries, however, exceptions to this norm are encountered. POs may assume more control over evaluations when they have “reason to believe that the partner is not performing well or something is wrong” (interview PO CA India, 5 August, 2008).

Given the agencies’ role of defining accountability requirements, monitoring their compliance and awarding rewards and sanctions based on performance, the issue of accountability is directly related to the payoff rules. Staff of all three agencies use the goals, intended results, budgets and time lines as formulated in the project contracts as a benchmark to assess project and financial performance. If partners perform as planned, they receive funding according to the stipulations in the contracts. Although not contractually captured, agency-staff may award excellent performance by renewing contracts, increasing budgets, providing more overhead funding, linking the partner up with other donors and providing support in financially difficult times. When partners fail to meet their contractual obligations and are unable to offer convincing explanations, agencies have the legal right to delay transferring funds, reduce budgets or even terminate the relationship (AA, 2008b; ICCO, 2008b; CA, 2008a). Although performance-targets are contractually captured, there are no formal guidelines specifying the conditions under which POs are to apply certain rewards or sanctions. Consequently, both rewarding and sanctioning by POs are characterised by a degree of subjectivity.
As partners of all three agencies’ depend on donor funding for their operations and survival, sanctions have a major organisational impact. As sanctions are only used as a last resort, the majority of the partners interviewed never experienced their effects in practice. However, “rocking the boat a little bit [may] cause the donor to become unhappy [and lead] to a delay in disbursements of funds or drive a donor into deciding to terminate funding” (interview, partner ICCO Ghana, 4 April, 2008). The fear of sanctions thus seems as effective as the actual sanctions themselves, particularly when partners are resource dependent.\(^5\)

In sum, the rules for scope, position, information, aggregation and payoff appear to be most important for enabling and limiting partners’ room to manoeuvre in the field of accountability. Again the rules are established by the agencies while differences between the rules can be attributed to the diverging nature of their norms, values and beliefs. The major dissimilarity between the agencies is that AA has not only made downwards accountability to communities one of its key norms, but also translated this into contractual obligations for partners. AA-partners thus have more accountability requirements to satisfy than their ICCO or CA peers. Overall, and apart from their one-sidedness, most accountability rules consist of contractually captured requirements. While this limits flexibility, strong and trusted partners may still succeed in negotiating exceptions to the rules.

**Capacity building**

The agencies attach different priorities to capacity building. For ICCO and CA, which identify civil society to be at the core of social transformation, the strengthened capacity and autonomy of their partners is a formal objective of their work (ICCO, 2007; CA, 2005). The idea that “social transformation not only requires organisations that can achieve results, but also organisations that are actors in their own right” (interview PO CA Ghana, 5 May, 2008) reflects the notion of civil society building as the underlying belief of how social change occurs. Building their partners’ capacity is thus desirable in the scope rules of ICCO and CA. Nevertheless, these ‘capacity’ scope rules do allow considerable room for interpretation as “there is no common standard for capacity building”, which means that “you’ll see different country managers putting a different emphasis on organisational development” (interview PO CA, 5 May, 2008).

For AA, not organisations but poor people and civic action are central to its belief

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\(^5\) In the study, resource dependence was particularly prevalent under AA-partners. Of the 21 AA-partners participating in the study, 10 were fully dependent on AA. In contrast, only one out of the 25 ICCO-partners and two out of the 22 CA-partners were financially dependent on these agencies.
of how change occurs. In its understanding of poverty and (under)development, AA seeks to achieve progress by empowering people so that they can secure basic human rights (AA, 2005:a). Although AA does fund activities aimed at strengthening its partners’ capacity, it considers these to be a means to an end. In contrast to ICCO and CA, AA emphasises the importance of keeping their partners’ overhead costs low and ensuring that as much money as possible reaches the communities.

These different scope rules regarding capacity building have key consequences for partners’ room to manoeuvre. Those of ICCO and CA create opportunities for partners to request capacity building support, even if it is not directly tied to project-implementation. This is particularly relevant because such capacity building not only enables partners to improve their implementation capacity, but also allows them to invest in their overall growth and sustainability. For partners of AA, however, the possibilities for receiving capacity building support are more limited.

The differences between these scope rules regarding capacity building are clearly reflected in the position rules. Contracts of ICCO and CA in all three case countries explicitly mention capacity building as a formal agency role. This authorises their POs to offer and spend considerable time and resources on their partners’ capacity building while at the same time authorizing the partners of these agencies to ask for capacity building support. In contrast, the more fixed guidelines of AA – which do not have an explicit focus on their partners’ capacity building – allow only a limited percentage of the project-budget to be spent on capacity building costs. AA’s partners are aware of these guidelines and therefore “don’t ask because they don’t have much chance for success” (interview PO AA Ghana, 26 March, 2008).

In terms of the influence that partners have in determining the content of their own capacity building, the aggregation rules are of importance. None of the three agencies has formalised aggregation rules. Consequently, the influence of partners varies from case to case and depends on several factors including whether their PO is convinced of its relevance, whether a partner is trusted and whether it is in a position to negotiate. Besides, in the case of AA, capacity building has to fit within the funding guidelines and is tied to project-implementation.

Agency-staff in the different case countries also take the initiative in suggesting capacity building activities to their partners. POs of all three agencies explain that such suggestions are voluntary as long as they are convinced partners are doing a good job. In these cases, “the final call will be that of the partner” (Interview PO CA India, 12 August, 2008). Sometimes, however, capacity building activities are forced upon their partners. This happens when a PO perceives major shortcomings in its partner’s capacity, while the
partner is unwilling to address these issues. Providing a choice to partners between undergoing “an organisational development trajectory or [terminating] the relationship” is then certainly a possibility (interview PO ICCO, 2 August, 2007).

The rights and obligations of partners and agencies regarding capacity building are captured in the choice rules which are largely similar between agencies. When capacity building is taken up in the project-contract, the agencies are contractually compelled to provide support for the activities outlined in the action plan. The contracts, however, do not address mutual rights and obligations should partners identify the need for (additional) capacity building after the contract has been signed. Whenever this occurs, the judgment of the PO and the availability of funding as explained above are decisive.

In sum, the rules for scope, position, aggregation and choice are key to enabling and limiting partners’ room to manoeuvre in the field of capacity building. Differences between the agencies’ rules can be traced to the diverging nature of their beliefs, norms and values, which creates more opportunities to receive capacity building support for partners of ICCO and CA than for those of AA. The application of the rules is somewhat flexible on those aspects where the rules remain informal. Whether this is beneficial to partners depends on the nature of their respective PO, whether they are in a position to negotiate and whether they are trusted.

4.6 Conclusions and outlook

This study examined how the institutional rules of the partnerships of Action Aid (AA), ICCO and Christian Aid (CA) affect local partners’ room to manoeuvre. It showed that the agencies unilaterally set the rules, based on their own norms and beliefs regarding the nature of social change. Partners thus operate within the frameworks established by the agencies, which both enable and limit the range of actions partners can undertake. While most rules are ultimately fixed in formal regulations, some remain informal. In such cases, the rules tend to allow more flexibility. Whether this flexibility is beneficial to partners’ room to manoeuvre depends on whether they are in a position to negotiate, the nature of their respective project-officer and whether they are trusted.

The rules of the ICCO and CA provide more room to manoeuvre to partners than those of AA. This difference between the rules relates directly to the diverging nature of the agencies’ norms, values and beliefs. Regarding project-design and implementation, AA views strong staff involvement at the ground-level as a key strength while ICCO and CA believe that sustainable and effective outcomes require their partners to have a
large degree of autonomy. Consequently, AA works closely with its partners while the other two agencies maintain more distant relationships. Concerning accountability, AA regards downwards accountability as essential for successful participation and learning from successes and mistakes. In contrast, ICCO and CA – consistent with their belief of how change occurs – feel they are not in a position to interfere with their partners’ downwards accountability. The result is that AA-partners are obliged to satisfy more accountability requirements than their peers from ICCO and CA. Finally, AA perceives poor people and civic action to be central to social change, while the other two agencies view strong and autonomous civil society organisations as central to their theory of change. The consequence is that ICCO and CA attach much more importance to capacity building than AA, resulting in more room to manoeuvre for ICCO/CA-partners in this field.

For those agencies wishing to institutionally redesign their partnerships, this study offers three key insights. First, it shows that the rules are overlapping, intertwined and mutually reinforcing, implying that institutional redesign can only succeed if multiple rules are addressed simultaneously. The rule typology and its empirical application offer starting-points to systematically think over what kind of consequences changes in one rule could have for the other rules. Second, the finding that the nature of the rules is inseparably related to the nature of norms, values and beliefs of private aid agencies implies that institutional redesign should be about realizing alignment between belief systems and the formal rules governing behaviour. The concreteness of the rule typology offers clear starting-points for agencies to get to grips with their partnerships’ institutional design by looking at the (dis)connections between (formal) rules and belief systems. Third, the fact that the agencies have the ability to unilaterally set the rules is the ultimate manifestation of their power. This implies that those agencies striving for equal relations should not only consider making the rules more equal, but also enabling their partners to co-decide on the nature of (new) rules. This raises a new dilemma, however, as the agencies’ organisational identity is located at the level of beliefs, norms and values. Once partners have the authority to co-decide on the rules, then agencies risk losing sight of their organisational identity. Furthermore, partner-involvement at the level of strategic decision-making brings with it the risk of a conflict of interests. Partners can hardly be expected to support policy changes that go against the (financial) interests of their own organisation.
Trust or control? Private development cooperation at the crossroads

1 A version of this chapter is under review in *World Development*. 
Abstract: Private aid agencies are under growing pressure to adopt managerialist working methods. This study explores the changing belief systems and practices of private aid agencies as well as the strains arising from this pressure. We draw upon a literature review and case studies of two private aid agencies and their counterparts in Ghana, India and Nicaragua. Our findings show that managerialist ideas and practices fundamentally clash with the ‘traditional’ values, assumptions and goals of private aid agencies. Those agencies have to make tough choices to silence growing criticism that they are ‘losing their heart and identity’.

Keywords: private development cooperation; institutional logics; social transformation; managerialism; private aid agencies; partnership;
5.1 Introduction

In the 1980s, a set of values and visions about development emerged that came to be widely shared and adopted by (particularly European and Canadian) private aid agencies (Tvedt, 2002: 369).1 Bottom up approaches, grassroots perspectives, gender equality, empowerment and participation were key principles while the root causes of poverty were attributed to unequal power relations. Development was primarily seen in terms of social and political transformation through empowerment at the individual, household and societal level (Mitlin et al., 2007; Pearce, 1993: 226; Lewis & Kanji, 2009: 56-60; Korten, 1990). Within this social transformation agenda, private aid agencies saw themselves as catalysts for social change in the South and they emphasised empowerment strategies for the poor and the need to support organisations linked to democratic movements (Biekart, 1999: 72). Values such as trust, equality and respect emerged as the defining principles of the relationships between private aid agencies and their Southern allies (Fowler, 2000; Lister, 2000; Johnson & Wilson, 2006). There was broad political and societal consensus about the necessity of (private) development co-operation and the need for international solidarity. Few critical questions were asked.

In the late 1990s, the assumed support for development cooperation started to dissipate and a new approach to development entered the private aid channel that revolved around a particular kind of management based on principles that originated from the business sector. The public and political attitudes in many Western societies towards the performance of governmental and non-profit service providers had become increasingly critical (O’Neill, 2002; Power, 1999; Pollit, 1993: 1) and development cooperation was no exception. The inability of (private) aid agencies to specify their impact only intensified a call for tangible results. Coupled with the already ongoing professionalisation of private aid agencies, this contributed to the diffusion of ideas and practices originating from the world of business which represented a specific kind of management based on ‘scientific’ principles, technical problem solving and the application of rational tools for planning and measurement. It was the start of a period of so-called development managerialism, i.e. the adoption of the idea that improved management is the best way to overcome the limitations of previous approaches to development cooperation (Dar & Cooke, 2008; Mowles, 2007: 409; Mowles, 2010: 151;

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1 Private aid agencies are independent development actors that exist apart from governments and businesses, originate from Northern countries, operate on a non-profit basis and pursue a mandate of promoting development in Southern countries on the basis of a set of humanitarian values. In the literature, they are often also referred to as ‘international NGOs’ or ‘Northern NGOs’.
Dichter, 1999). Effectiveness, efficiency and transparency became key principles within the private aid channel, backed up by practices like independent financial auditing, strategic planning, logical framework analysis, risk management and quantitative impact-evaluations (Wallace et al., 2006: 164; Roberts et al., 2005; Mawdsley et al., 2002; Ebrahim, 2003).

Through their funding conditions, governmental donor agencies played a key role in the diffusion of managerialist principles in the private aid channel. Since the 1980s, many OECD countries have adopted the principles of New Public Management (NPM) to reform their public sectors. The main idea underlying NPM is that more market orientation in the public sector through the adoption of managerialist ideas and practices will lead to better performance. Amongst other things, NPM emphasises cost control, the creation of (quasi-)market mechanisms, the outsourcing of governmental services, reducing risk and enhancing accountability to consumers via the use of quantitative performance indicators (Hood, 1991; Osborne and Gabler, 1992). Over the years, governments of countries such as the United Kingdom and the Netherlands have increasingly embraced the principles and practices of NPM to manage their (funding) relations with private aid agencies (Wallace et al., 2006; Mawdsley et al., 2005; Schulpen & Ruben, 2009). As many private aid agencies depend on official funding for their operations and survival, governmental donor agencies have contributed directly to the widespread adoption of managerialism in the private aid channel.

While the adoption of managerialist principles and practices was intended as a means to improve performance and restore public and political support for (private) development cooperation, it increasingly attracted criticism for being at odds with the social transformation approach. Several critics have argued that the idea of development based on participation, equality and ownership is not compatible with rigorous top down ‘rational’ planning, monitoring and evaluation (Bornstein, 2003; Wallace et al., 2006). Others fear that private aid agencies are losing their ability to challenge ‘mainstream’ models, practices and ideas as they lose their independence due to the increasingly demanding criteria and procedures of their back donors (Bebbington et al, 2008: 4; Edwards, 2008: 47; Mitlin et al., 2007). Overall, there is a growing concern that private aid agencies are abandoning their original mission, vision and values (Hailey, 2000; Dichter, 1999: 54; Lewis & Kanji, 2009).

In this study we explore the consequences of the adoption of managerialist principles by private aid agencies for their original belief systems and practices. In doing so, we want to contribute to the ongoing academic discussion on development managerialism, and uphold a critical mirror to private aid agencies wishing to reflect
upon their current practices. We do this by (1) investigating the degree to which managerialism is ideologically neutral, by looking at its underlying values, assumptions and associated practices. (2) We examine the possibility of an irreconcilable conflict between managerialist ideas and practices on the one hand, and the goals, values and assumptions related to the social transformation approach on the other hand. This study addresses the following research questions: How does the adoption of managerialist principles in the private development cooperation affect the belief systems and practices of private aid agencies; and to what extent is the managerialist approach consonant with their traditional values, assumptions and goals?

Our analysis is based upon a literature review and case studies of two private aid agencies and their partners in Ghana, India and Nicaragua. We start by expounding our theoretical framework, which focuses on the concept of ‘institutional logic’. Then, we address our research questions in three steps:

1. We typify, by means of so-called ideal types, the main characteristics of two ‘opposite’ styles, i.e. ‘old style’ participatory and bottom up social transformation and ‘new style’ tangible effects and control oriented managerialist development cooperation.
2. We apply these ideal types to the current belief systems and practices of Christian Aid (CA) and Interchurch Organisation for Development Cooperation (ICCO).
3. We explore the compatibility of the beliefs and practices of the two development approaches.

The chapter concludes with a summary of the main findings and their implications for private aid agencies’ (added) value, future relevance and identity.

5.2 Institutional logics and institutional change

A major problem associated with much of the development NGO-literature is its implicit normative bias and a lack of conceptual clarity (Lewis, 2006: 370; Tvedt, 2006). Thus, we start our analysis by making our own analytical framework explicit. In this study we draw upon the concept of ‘institutional logic’. This concept, derived from organisational institutionalism, departs from the premise that organisations are embedded in collectively shared rules and belief systems – the institutional context - that provide stability and meaning (Meyer & Rowan, 1977; DiMaggio & Powell, 1983; Scott, 2008). It is this context that, often unconsciously, has a major influence on organisational behaviour. The

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2 We agree with Mitlin et al. (2007: 1715) that a normative perspective in itself does not necessarily undermine the quality of analyses as long as one makes its normative position explicit.
concept of institutional logic has proven successful for understanding how the introduction of a ‘managerial’ logic has transformed such fields as healthcare (Kitchener, 2002; Scott et al., 2000; Reay & Hinings, 2005, 2009), university education (Townley, 1997) and federal and state administration (Meyer & Hammerschmid, 2006). In our study, we examine how the main ideas and practices in the private aid channel are changing due to the widespread adoption of a managerial logic.

Institutional logics are organizing principles that guide the behaviour of organisations grouped around a set of issues central to their interests and objectives (Hoffman, 1999: 352). Such a group of organisations, in the aggregate referred to as an organisational field, share a common meaning system and interact more frequently with one another than with actors outside the field (Scott, 2008; Friedland & Alford, 1991). Institutional logics create a sense of common purpose and unity within an organisational field and consist of (1) belief systems and (2) associated practices. Belief systems define what goals or values are to be pursued within an organisational field and what the underlying assumptions are. Associated practices are the actual decisions that organisations make and the actions they undertake to pursue their goals and values (Trey & Hinings, 2005: 354; Thornton & Ocasio, 1999: 804). In this study, we analyse the belief systems and associated practices of the private aid channel, which is an organisational field consisting of development NGOs in the North and South and their back donors (Tvedt, 1998, 2002, 2006).3 We limit our analysis to those aspects associated with the relation between private aid agencies and their Southern counterparts as this has been identified as key to the distinctiveness, credibility and quality of private development cooperation (Fowler, 1998; Ashman, 2001; Edwards & Fowler, 2002).

Organisational actors draw upon institutional logics for guidance, meaning and legitimacy. They offer the implicit rules which provide organisations with collective identities, motives and vocabularies, instil values, determine which problems get attended to, which solutions get considered, what outcomes are to be achieved, what practices are considered appropriate in particular circumstances and what suitable types of relationships are between organisations (Townley, 1997: 263; Thornton & Ocasio, 2008: 111-114; Greenwood et al., 2002: 59). Both as a medium and an outcome of the behaviour they regulate (Giddens, 1984), institutional logics mature and solidify over time into specified roles, behaviours and interaction-patterns between organisations.

3 The actors in the private aid channel are structurally integrated due to resource transfers, a common meaning system and shared practices. Ideas and practices are diffused through several mechanisms including a continuous exchange of personnel between the channel’s main actors, the widespread use of consultants, funding conditions and international conferences (Tvedt, 1998).
These are often reinforced by regulatory processes involving governmental agencies and professional bodies, which normatively and/or coercively press conformity upon organisations that are part of a specific field (Greenwood et al., 2002: 59). The practices of development NGOs, for example, are profoundly shaped (and standardised) by the (funding) requirements of ‘official’ donors (Wallace, 1997; Wallace et al., 2006; Tvedt, 2006).

Institutional logics are not static, however, but evolve over time in response to specific circumstances or more general societal changes in political and economic values and beliefs (Treay & Hinings, 2005: 354). Most institutional theorists perceive institutional change as a transition from one dominant logic to another (Greenwood et al., 2002; Hoffman, 1999). The introduction of a new dominant logic can create enormous ambiguity in a given organisational field as actors struggle to reconcile conflicting belief systems and practices. Conflicting logics co-exist during transition times until one side or the other wins and the field reforms around the winning dominant logic, or a new logic emerges that is a hybrid version of the two previous logics (Treay & Hinings, 2009: 631). From this perspective, our study analyses the shift in the private aid channel from the social transformation logic to the managerial logic, and questions whether and to what extent the two logics are compatible with each other.

5.3 Social transformation and managerial: comparing institutional logics

In order to identify the main institutional differences between the social transformation and managerial logics, we construct ideal types based on a review of the literature. It is important to recognise that ideal types are analytical constructs meaning they do not exist in pure form in reality. The method of ideal types was first developed by classic social theorists, notably Weber (1978), and is nowadays widely used in institutional theory in order to understand and compare the values and practices of organisations (Thornton & Ocasio, 2008: 110). Table 5.1 below summarises and contrasts the key characteristics of the two logics, focusing particularly on the relationship between private aid agencies and their Southern counterparts.

**Social transformation logic**

The social transformation logic sees development (cooperation) as a political process, aimed at changing unequal power relations. Poverty is not inevitable or ‘natural’, but a
result of human-made social, economic and political structures favouring certain groups of people at the expense of others. As poverty results from power structures that discriminate against, exclude or exploit certain groups of people, development is viewed as a process in which these structures are transformed, and marginalised people are empowered (Lewis & Kanji, 2009). Emphasizing power, whether in social, economic or political life, implies an inherently political perspective on development (cooperation) (MacDonald, 1994: 283; Wallace et al., 2006: 43). While development cooperation can facilitate social transformation, the latter is explicitly thought to be an indigenous process. More specifically, it is believed that empowerment of marginalised groups can only be ensured when it is locally owned and driven (Pearce, 1993: 226; Wallace et al., 2006: 31).

In the social transformation logic, a multiform and autonomous civil society is considered essential for development. Civil society is viewed as a realm where grassroots movements, social organisations and change-oriented NGOs can speak up for the interests of people who are either ignored or are done an injustice by the state or market (Bebbington et al, 2008: 3; Howell & Pearce 2002: 36). Given the large number of social groups in society that each have different interests, problems and values, the social transformation logic attaches much importance to the diversity of actors in civil society. As development is perceived as a political act against vested interests, civil society usually does not operate in close harmony with the state and the market as these are seen to represent these interests (Mitlin, et al., 2007: 1702). Similarly, the social transformation logic is generally sceptical about the willingness and ability of governmental development aid to leverage deep changes in systems and structures that perpetuate poverty and the abuse of human rights (Fisher, 1997: 445; Mitlin et al., 2007: 1704). Autonomy from the state and donors is thus perceived as a pre-condition for civil society’s contribution to social transformation because it enables people to participate in change processes in ways not possible under the ‘official’ programmes (Howell & Pearce 2002: 37).

The consolidation of equal relationships between private aid agencies and their Southern counterparts is seen as both a means and an end in itself. Such relations are essential for achieving locally owned and initiated change (Clinton, 1991: 62; Brehm, 2004). Starting from the idea that local organisations have the best understanding of their own reality, the actions and processes of structural change have to be indigenous to be effective and sustainable. North-South relations - referred to as partnerships - are also explicitly viewed as an expression of values such as trust, equality, mutuality and mutual respect (Fowler, 2000: 4; Lister, 2000; Elbers & Schulpen, 2011). These values reflect an ideological aspiration of international solidarity, a shared desire to challenge
Table 5.1  Comparison of institutional logics

<table>
<thead>
<tr>
<th>Beliefs</th>
<th>Social transformation</th>
<th>Managerial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development</td>
<td>● development is a political process to change unequal power relations</td>
<td>● development is a process to be planned and controlled</td>
</tr>
<tr>
<td></td>
<td>● development requires local ownership by marginalised groups</td>
<td>aimed at realizing tangible and assessable results</td>
</tr>
<tr>
<td></td>
<td></td>
<td>● development requires the ‘right’ set of management tools</td>
</tr>
<tr>
<td>Civil society</td>
<td>● civil society needs to be autonomous to contribute to development</td>
<td>● civil society is complementary to the state and donors in achieving development</td>
</tr>
<tr>
<td></td>
<td>● civil society’s value is expressed in terms of its intrinsic worth and its diversity</td>
<td>● civil society’s value is expressed in terms of value for money</td>
</tr>
<tr>
<td>Relationships</td>
<td>● relations with local organisations are both a means and an end</td>
<td>● relations with local organisations are a means to an end</td>
</tr>
<tr>
<td></td>
<td>● value-based relations ensure local organisational autonomy</td>
<td>● formalised relations prevent the misuse of funds and ensure compliance with agreed upon</td>
</tr>
<tr>
<td></td>
<td></td>
<td>results</td>
</tr>
<tr>
<td>Practices</td>
<td>● private aid agencies provide financial, institutional and moral support</td>
<td>● private aid agencies ensure value for money</td>
</tr>
<tr>
<td>Roles</td>
<td>● local organisations take the lead in development work</td>
<td>● local organisations implement contractually specified activities and comply with accountability requirements</td>
</tr>
<tr>
<td>Selection</td>
<td>● local organisations have to be locally rooted to qualify for a relationship</td>
<td>● local organisations have to be professional to qualify for funding</td>
</tr>
<tr>
<td>Governance</td>
<td>● private aid agencies refrain from interfering in development interventions and internal affairs</td>
<td>● private aid agencies establish the nature of development interventions and accountability requirements</td>
</tr>
</tbody>
</table>

Source: own analysis based on a literature review

injustice in the developing world and a need to overcome paternalism (Fowler, 1998; Murphy, 2000: 343-346). This value-base is the key to ensuring the autonomy of local partners. In particular, the emphasis on trust as the starting-point of relations implies that local organisations have the freedom to determine their own strategic direction (Mawdsley et al., 2002).
In terms of the actual practices, the social transformation logic discerns specific roles for private aid agencies and their Southern counterparts. Given the emphasis on local ownership and organisational autonomy, local organisations play the lead role in designing activities and doing the actual work ‘on the ground’ which means that aid agencies should refrain from direct involvement in implementation. Their contribution is primarily defined in terms of facilitation (Lewis, 1998). As engaged outsiders, they are to provide financial, institutional and moral support enabling their partner organisations to take control of their own destiny and development, based on local priorities (Eade, 2007). What is required, then, is long-term support by means of flexible funding arrangements, non-imposed capacity building and (financial) solidarity in times of difficulty (Brehm, 2004: 24; Hoksbergen, 2005: 18).

Private aid agencies are supposed to work with indigenous local organisations as they, in the eyes of their communities, governments and other stakeholders, enjoy greater legitimacy than those set up by overseas donors (Hoksbergen, 2005: 22-23). To ensure local partners’ autonomy, aid agencies have to minimise the power distortion arising from the transfer of resources (Brehm, 2004; Fowler, 1998). They are thus to refrain from interference in their partners’ internal affairs and operations (Harrison, 2007; Clinton, 1991: 63-64). Overall, local partners are to have a considerable degree of discretion over the use of funds while accountability requirements are mutual and meaningful to both parties (Hudock, 1999).

Managerial logic

The managerialist logic perceives development as a process than can be planned and controlled, that revolves around realizing demonstrable and quantifiable outcomes and is based on an identification of constraints that need removing, or gaps that need filling, between existing conditions and what is perceived as desirable (Mowles, 2008: 806). Improving effectiveness and efficiency are key objectives to be reached through applying sophisticated tools in such fields as financial management, risk assessment, planning, monitoring and evaluation (Roberts et al., 2005: 1853). These tools are thought to be ‘infinitely reprogrammable’, to suit all contexts, irrespective of setting and circumstances (Hood, 1991). Using such tools, then, is a rational and neutral exercise based on scientific principles (Mowles, 2010: 152), aimed at predictability, reflecting a linear perspective on development (Wallace et al., 2006: 36). Measuring results is considered to contribute to better tracking of implementation, enhanced accountability, and early identification of both the problems and the successes of projects (Bornstein, 2006).
Civil society also fulfils a crucial function in this logic, although a different and less pivotal one than in social transformation logic. By complementing, and as such also endorsing, the development efforts of the state and donors, civil society can make important contributions to development. The underlying idea is that state, market and civil society each have to fulfil their own specific but complementary role in development (Howell & Pearce, 2000: 76). They are seen as working towards a common global cause in a way that emphasises results and favours consensus and cooperation above difference and deliberation (Mowles, 2010: 156; White, 1999: 308). The situation of less privileged groups is improved through gradual readjustments of existing policies (Hashemi, 1995: 109). Civil society is not perceived to have an intrinsic worth. Instead its value is seen to lie in its effects or results, or put differently, the value (for money) it offers to its ‘users’ (Thomas, 2008: 101). This implies a ‘contract-culture’ in which civil society organisations are mainly viewed instrumentally as flexible agents of service delivery, although there is also recognition for their advocacy roles in making national policies more responsive to citizens in developing countries (Lewis & Kanji, 2009: 43).

Relationships with local organisations are seen as fee-for-service exchanges that serve to achieve tangible development outcomes. They enable private aid agencies to access crucial resources such as technical expertise, on-the-ground contacts and a thorough understanding of the social-political and cultural context. As organisations are viewed as rational entities seeking to maximise their self-interest (Klijn & Koppenjan, 2004: 106), relations with local organisations represent a risk as these may undertake strategic behaviour out of narrow self-interest or incomplete information. Clear contracts and strict accountability are then necessary to prevent abuse and to realise effective and efficient use of funds (O’Neill, 2002). Contracts clarify and formalise agreements, provide clear prescriptions of conduct and outline sanctions and incentives to ensure desired behaviour. Detailed accountability requirements are regarded as crucial to achieving transparency and making results tangible (Roberts et al., 2005: 1851; Power, 1999: 124).

The goals, values and underlying assumptions of the managerial logic are clearly reflected in its actual practices. Local organisations are viewed as implementers of contractually specified activities. They are hired for a definite time period to implement a specific, well-defined activity and realise pre-defined and measurable outcomes. In principle there is no expectation by either party that the relationship will extend beyond the term of the contract (Leach, 1995). Private aid agencies’ main role is to purchase services from local organisations, ensure value for money and monitor performance. As the notion of efficiency implies that as much money as possible should be spent on
reaching project-beneficiaries (Lewis & Kanji, 2009: 178), there is no specific expectation of institutional strengthening. Nevertheless, exceptions may be possible when such support clearly enhances the ability of local counterparts to ‘deliver’ the targets (Mowles et al., 2008: 806).

To qualify for funding, local organisations need to be professional in the sense of being capable to operate according to managerialist principles (Mawdsley et al., 2005: 78). The managerial logic implies a very specific form of professionalism, in which organisations have to be legally recognised, keep standardised accounts and comply with national (tax) laws. Moreover, they need to have a formal mission and vision, work with strategic plans and logical frameworks, undergo periodical independent financial audits and organise their activities to be measurable (Roberts et al., 2005: 1851-52). Selection of local organisations takes place through competitive tendering in which applications are objectively ranked by score (Wallace et al., 2006: 62-65). The activities that qualify for funding, reporting requirements and methodologies used for outcome measurement are specified in detail in advance (Leach, 1995). Overall, private aid agencies are largely in control of how their funds are spent and how local organisations have to account for their actions.

### 5.4 Institutional logics in practice: the cases of Christian Aid and ICCO

This section empirically examines the degree to which private aid agencies have shifted from the social transformation to the managerial logic based on the key characteristics outlined in table 5.1. Our analysis is based on two cases: Christian Aid (CA) and Interchurch Organisation for Development Cooperation (ICCO).4 These organisations have been selected for a specific reason. Since the early 1980s, both private aid agencies are well

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4 Data for this study was collected over a period of eight months in 2008. To improve external validity, fieldwork was conducted in Ghana, India and Nicaragua whose civil society sectors are known to differ considerably in terms of strength (Heinrich, 2007). In total 64 respondents were interviewed consisting of 25 ICCO-partners, 22 CA partners, nine staff of ICCO and eight of CA. The partner representatives interviewed were those responsible for managing the relations with donor agencies, usually the managing director or equivalent. Interviewed agency-staff consisted primarily of those managing the relations with the interviewed partners. To ensure a diversified sample, partners were selected on the basis of their thematic focus, size in terms of budget and staff, geographical location and the length of the relationship. Meetings typically lasted between one and two hours and were all conducted face-to-face. The analysis of the agencies’ belief systems was based on interviews with agency-staff and a review of policy papers that applied at the time of the fieldwork. Associated practices were analysed on the basis of interviews with agency-staff and partner-representatives as well project-contracts.
known in their countries of origin (UK and Netherlands) for being what Donini et al. (2008) refer to as ‘solidarists’: private aid agencies that place a strong emphasis on addressing the root causes of poverty and social transformation. Their longstanding and strong solidarist tradition improves the likelihood of them sticking to their ‘original’ principles. Christian Aid and ICCO thus represent excellent cases for shedding light on the degree to which the managerial logic has penetrated the private aid channel.

**Belief systems**

A review of the agencies’ policy papers at the level of belief systems unmistakably reveals the language and thinking of the social transformation logic while (elements of) the managerialist logic appeared to be absent. In explaining their mission and vision, both agencies observe that the world is characterised by enormous wealth existing alongside extreme poverty. CA’s conclusion is that “poverty is a condition created by an unjust society, denying people access to, and control over, the resources they need to live a full life” (CA, 2006: 4). Similarly, ICCO emphasises that “poverty is not a natural phenomenon, but the result of human intervention. Working towards solutions means a change in economic, social and political power structures” (ICCO, 2007: 17). In emphasising the political nature of poverty, both agencies view development as a struggle “to challenge and change the systems which favour the rich and powerful over the poor and marginalised” (CA, 2008a: 1) towards “the empowerment of poor and excluded people” (ICCO, 2003: 8). Because development is perceived as an indigenous process, any “outside contributions to establish the pre-conditions that allow poor people to determine their own development must be rooted in the local social fabric” (CA, 2004a: 3).

In line with the social transformation logic, ICCO and CA also identify a vibrant and autonomous civil society to be at the core of social transformation. Civil society organisations are first of all perceived as understanding and representing the local needs and interests of poor and marginalised people, while being dedicated to those people for the long term. Moreover, the agencies explicitly share the idea that civil society organisations have a major role to play in addressing the structures and systems that keep people poor (CA, 2004b: 1; ICCO, 2007: 16). To fulfil this role, these Southern organisations “cannot and should not be seen or treated as channels for aid-delivery but as autonomous organisations” (ICCO, 2003: 5). Both agencies make it very clear that

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5 Interviews with agency-staff not only confirmed this finding, but respondents explicitly referred to their organisations’ principles to explain what made them unique compared to corporate foundations or governmental aid agencies.
development cooperation is principally about supporting the development of vibrant and multiform civil societies consisting of organisations that are actors within their own right (ICCO, 2003: 5; CA, 2004b: 1).

Finally, there is no doubt that the agencies’ views on their relationships with local counterparts fit the social transformation logic. With partnerships being viewed as central to their development approach (ICCO, 2003: 5; CA 2004: 3), these counterparts are seen as having "the benefit of local know-how and a local presence; they understand the culture and norms of the people they are working with as well as the socio-political context" (ICCO, 2003: 5). Underlying the partnership approach is “the firm belief that working with local partners, rather than directly through our own staff, is more likely to ensure lasting, locally owned, development and the eradication of poverty and injustice”. As such, “this approach refuses to do things for people or over their heads, but works with them, and at best enables them to do the work for themselves” (CA 2004: 1). ICCO and CA identify key values such as solidarity, equality, mutual respect, mutuality, trust and shared ideals as the foundation of their relationships with Southern partners (ICCO, 2003: 5; CA, 2004a: 5). They also realise that high quality relations do not come naturally in relations characterised by the transfer of funds. Consequently, they emphasise the necessity for taking steps to reduce the prevailing asymmetries in power (CA, 2004a: 3; ICCO, 2003: 6). Therefore, they set out to be flexible in terms of the operational space they give to partners while allowing them to determine and control their own direction and development (CA, 2004a: 5; ICCO, 2003: 8).

**Practices**

At first sight, the practices of ICCO and CA also seem to match the social transformation logic. Partners take the lead in project-design and implementation while both agencies provide the pre-conditions that allow their partners to do their work. Project-Officers (POs) of ICCO and CA may give “feedback, share ideas or help out when there are problems but in the end [the partner has] to make it happen” (interview PO CA Ghana, 5 May, 2008). Capacity building is an explicit part of the responsibilities of ICCO and CA that authorises POs to offer and spend considerable time and resources on their partners’ capacity building. Other forms of support include the funding of core costs, long-term funding commitments and maintaining support when other funders withdraw.

At the same time, the managerial logic is also clearly present in the division of roles in the partnerships of ICCO and CA. POs explained that expectations towards partners in terms of demonstrating results and accountability have increased over the years
while the management information systems of both agencies have become more sophisticated and demanding. There has been a shift from input-based towards outcome-based reporting and there is increasing emphasis on ‘correct’ financial reporting and handling of funds. This shift illustrates that matters of organisational survival have become more manifest in the agencies’ behaviour. As a PO of ICCO explains, “we really need the reports and audits, because we are audited ourselves. If we don’t receive them on time, we get problems with our own auditor” (interview, 1 July, 2008). Consequently, agency-tasks increasingly revolve around assessing risk, monitoring performance and ensuring that reports sufficiently address agreed upon results. Similarly, satisfying (increasingly demanding) accountability requirements has become a more explicit role for partners.

Looking at criteria for selecting partners, table 5.2 below shows both logics to be present, although the managerial logic manifests itself more prominently. The social transformation logic is reflected in the agencies’ preference for organisations that are locally rooted and compatible in terms of identity. Their main criteria to select a ‘suitable’ partner, however, are programmatic focus and organisational capacity. The nature of the organisational capacity of the intended partner is extensively assessed by means of several procedural criteria that are clearly managerial in nature: track record, financial position and management, planning, monitoring and evaluation systems and organisational structure and governance.

For ICCO and CA the use of programmatic criteria – a manifestation of the managerialist emphasis on targeting - is still a relatively new practice. Until the early 2000s, neither of the two agencies had an explicit programmatic focus. It was only after ICCO and CA adopted strategic planning that they started to formulate explicit policy goals and restricted their programmatic focus to certain key-areas. The criteria used for assessing organisational capacity show how the agencies have adopted prevailing ‘professional’ standards in such fields as finances (standard account keeping, independent financial auditing), planning (use of logical framework, strategic plans) and governance (formalised operating principles and procedures). POs explained that their criteria for assessing capacity have become more explicit, systematic and refined in recent years. Moreover, they pointed out that this development should be seen in the context of the growing emphasis on tangible results

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6 Interviews suggested that for Christian Aid the Christian identity of organisations was more important than for ICCO.
7 At the time of fieldwork in late 2008, ICCO was about to introduce a new partner-selection tool which, according to POs, would further formalise the selection of partners by means of an elaborate and objective rating system of strengths and weaknesses.
and accountability, with the agencies themselves being judged on their ‘business plan’ and passing on requirements to their partners (interview PO ICCO, 7 January, 2008; interview PO CA, 10 September, 2008).

In the area of governance, the social transformation logic is clearly reflected in the agencies’ practices. Regarding project-design and implementation, partners can pursue their own preferences when designing and implementing projects provided that they meet the agencies’ programmatic requirements. When it comes to capacity building, partners of ICCO and CA repeatedly emphasised the flexibility of both agencies. In principle, activities related to organisational strengthening follow the partners’ own agenda and partners are stimulated to ask for institutional support. While partners are contractually obliged to submit periodical narrative and financial reports, they do not

<table>
<thead>
<tr>
<th><strong>Table 5.2</strong> Main partner selection criteria of ICCO and CA</th>
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<tbody>
<tr>
<td><strong>Criteria</strong></td>
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</tbody>
</table>
| Local rootedness  | • Membership networks  
|                   | • Grassroots linkages  
|                   | • Participation beneficiaries  
|                   | • Downwards accountability |
| Identity          | • Shared (Christian) value-base  
|                   | • Compatible mission & vision |
| Programmatic focus| • Theme  
|                   | • Strategy  
|                   | • Target group  
|                   | • Geographical focus |
| Track record      | • Past achievements  
|                   | • Past relations with stakeholders  
|                   | • Publications |
| Financial position and management | • Income, liquidity and solvency  
|                   | • Accounting system  
|                   | • Independent audits |
| Planning, monitoring and evaluation system | • Strategic planning  
|                   | • Use M&E indicators  
|                   | • Learning |
| Organisational structure and governance | • Compliance with national laws  
|                   | • Formal mission & vision  
|                   | • Board presence & composition |

Source: policy documents and interviews with POs
have to work with pre-defined formats. Instead – and this was confirmed by partners – the starting-point of both agencies is that reporting-procedures and formats, wherever feasible, are adapted to the partners’ own internal planning, monitoring and evaluation-systems.

At the same time, elements of the managerial logic are clearly visible in the agencies’ governance practices. Project-contracts have become legally valid in recent years while containing explicit results-agreements at the outcome-level. This offers the agencies better possibilities to mitigate risks in the case of serious mismanagement of funds or fraud, and limits their liability if funds are not used for intended purposes. The managerial logic is also visible in the project-plans that partners have to submit. These plans have become more detailed and contain clear targets and milestones to be achieved during different phases of the project-cycle. To some extent, this has limited the autonomy of partners during implementation as they have become more dependent on the willingness and flexibility of POs to allow deviations from the original project-plan. This has increased the role of POs and with it, paradoxically enough, also the danger of arbitrariness. “While we mostly have most good experiences in this respect, we have also had a desk-officer that was not so forthcoming” (interview partner CA, 24 September, 2008).

5.5 The feasibility of hybridisation

Our analysis of ICCO and CA shows that the agencies’ belief systems still primarily follow the social transformation logic, while their associated practices have become hybrids, combining elements of both the social transformation logic and managerial logics, with a growing accent on the latter. As both logics hold different goals, values and assumptions, this raises the question whether a full merger of the two logics in practice is a sustainable option for private aid agencies in the long run. Below we identify six fundamental differences between the two logics which together raise serious doubts about the feasibility of merging the two logics, both in theory and practice.9

First, the managerial emphasis on technical problem solving and management solutions conflicts with the view that development (cooperation) is inherently political.

8 POs emphasised that this flexibility is also something that partners have to ‘earn’. It is only granted to those partners that have gained POs’ trust and whose (past) reporting has been satisfactory.

9 As our analysis takes place at the level of logics, the contradictions we find are in the first instance analytical. However, the more profoundly private aid agencies embrace the managerial logic while continuing to stick to the goals, values and assumptions of the social transformation agenda, the more these analytical contradictions are likely to become actual contradictions.
The latter implies that development by definition entails talking about and working through questions related to politics and justice. From the perspective of the social transformation logic, however, the managerial logic takes existing patterns of political and economic development as a given and separates them from questions of politics, power and distribution (Bebbington, 2005: 940; Hickey & Bracking, 2005: 855; Edwards, 2010). In other words, "potentially explosive political questions about rights, entitlements, how one should live and who should decide, [are transformed] into technical questions of efficiency and sustainability" (Mosse, 2005: 12), resulting in the ‘depoliticisation’ of development (Ferguson, 1994). In a similar sense, the managerial logic also takes the ideology on which the official aid system is based as a given and views donors as neutral actors engaged in a joint effort to combat poverty. Proponents of the social transformation logic would argue that this view falsely presents donors as though they have no interests of their own, no ideological preferences, no intrinsic values and goals (Howell & Pearce, 2001: 83; White, 1999; Bebbington, 2008).

Second, the emphasis on predictability, control and measurement clashes with the nature of ‘political’ interventions. Rational planning tools start from the idea that a desired end-state can be planned in logical, rational and causal steps. Consequently, actors are presented as being able to control and direct change by pulling the right ‘levers’ (Mowles et al., 2008: 806; Mowles, 2010: 153). This kind of planning and the thinking underlying it, however, is limited in its ability to handle interventions that are unpredictable, process-oriented and difficult to measure. These characteristics, however, are precisely those of interventions seeking to realise changes in prevailing relationships of power and inequality (Bornstein, 2006: 53; Wallace et al., 2006). As a result, ‘politicised’ interventions are discouraged in the managerial logic as they represent huge risks and offer little demonstrable value for money. Consequently, the requirements of rational planning tools run the risk of confining the scope of interventions to precisely those that – according to the social transformation logic – do not address the root causes of poverty (Bebbington, 2005; Pickard, 2007; Biggs & Neame, 1995: 37).

Third, the view that civil society should serve and validate the goals of the state and official aid clashes with the idea that autonomy is central to its significance. The social transformation logic generally has a critical attitude towards the development (cooperation) agendas of official donors. While more moderate proponents would argue that they do not do enough to address the root causes of poverty, those with a more radical view would point out that official donors are primarily interested in maintaining the status quo and serving the interests of ‘selected’ players (Mosse, 2005: 7-12; Murphy, 2000: 331-338). The social transformation logic rejects the idea of
development (cooperation) as a joint-plan in which NGOs, donors and states work together to achieve human progress (White, 1999: 308; Howell & Pearce, 2001: 17). Instead, civil society’s relevance is perceived to lie in its ability to think independently about development and attend to the interests of people not served by governmental policies. Having to work within the policy frameworks of the state and official donors is therefore seen as blunting civil society’s critical edge and eroding its ability to offer alternative perspectives and practices to development (Mitlin et al., 2007: 1709; Smillie, 1995: 179; Fowler, 2005: 1; Wallace, 2004: 216).

Fourth, the viewpoint that relations with local partner organisations are fee-for-service exchanges clashes with the idea that these relations also have an intrinsic value. To proponents of the social transformation logic, the intrinsic value of their relations with partners matters. It reflects the idea that development cooperation is neither about fighting somebody else’s battle nor about pity or charity (Manji & O’Coill, 2002). Contrary to the managerial logic which assumes a low-trust environment and views people as primarily driven by a desire to maximise personal advantage, it is rooted in the idea that people in different parts of the world are driven by solidarity and the ethics of a common cause to take a stand against injustice. As such, the importance attached to partnership reflects the underlying idea that private aid agencies are part of a global movement of citizens seeking to strengthen the capacity of marginalised people in their fight against injustice (Murphy, 2000: 344-345).

Fifth, the emphasis on control conflicts with the idea that local ownership, based on trust and equality, is the pivot of development and development cooperation. Under the managerial logic there is less space for local priorities and preferences. As agency-objectives form the starting-point of interventions, the nature of programmes and services are essentially established top-down (Leach, 1995). For proponents of the social transformation logic, this approach fundamentally contradicts the idea that development is an indigenous process. Moreover, it is inconsistent with a perspective of development cooperation that seeks to enable people living in poverty to find their own solutions to the problems they face (Howell & Pearce 2001: 37). Furthermore, the emphasis on control reinforces the already existing power asymmetries in North-South NGO relationships (Bornstein, 2003).

Sixth, the importance attached to professionalisation, defined in terms of being able to work according to managerialist principles, clashes with the view that challenging prevailing power structures requires a multiform civil society with strong local roots. Specific knowledge and expertise is required to prepare and write reports and proposals, manage large sums of money, provide detailed records of expenses, carry out or
organise monitoring and evaluations and stay tuned to international aid flows and trends. This requires organisations to take on ‘professionals’ who typically come from privileged backgrounds and have enjoyed high levels of formal education (Markowitz & Tice 2002: 950; Roberts et al., 2005: 1850). The incorporation of professionals means that dynamics related to careers, jobs and status come into play (Dichter, 1999: 49). Consequently, tensions between institutional imperatives – what an organisation has to do to survive – and developmental imperatives – what it thinks it has to do to fulfil its mission statement – tend to become more profound when organisations professionalise (Biekart, 1999: 77; Dichter, 1999: 51-52). As such, professionalisation is associated with groups becoming ‘tamed’ as they are channelled toward more moderate and cautious goals, ideas and tactics and their radical energies dissipate (Lewis, 2006: 83; Kaldor, 2003; Feldman, 2003; Eade, 2007; Jad, 2007; Pearce, 1993).

Professionalisation also increases the risk that links between local organisations and the grassroots level become weaker. On the one hand, funding is becoming increasingly restrictive with organisational capacity lying at the core of the division between those who can satisfy requirements and those who can not (Bornstein, 2006: 56). Precisely those organisations that tend to have strong grassroots connections, such as smaller NGO’s, grassroots organisations and social movements, lack the capacity to qualify for funding (Gideon, 1998: 317). Furthermore, professionalisation is often associated with local organisations losing their responsiveness to, and linkages with, local communities (Markowitz & Tice 2002: 944; Edwards, 2004: 35; Hailey, 2000: 403-404). As organisations become increasingly distanced from the grassroots, their ability to articulate and address grassroots needs and their credibility in terms of being representatives of the marginalised are undermined (Hudson, 2000: 91).

Finally, the widespread adoption of ‘professional’ standards conflicts with the value attached to the multiformity of civil society. From the perspective of the social transformation logic, the diversity of civil society is crucial because of the wide variety of interests to be represented, different goals and values to be pursued and different roles to be performed (Edwards, 2004: 32). Characteristic for the managerial logic is the emphasis on standardisation as a means to enhance performance. Consequently, organisations increasingly adopt similar organisational forms and assume similar ideas and practices (Lewis & Kanji, 2009: 160; Tvedt, 2002: 373). In this sense, the managerial logic promotes a move away from the notion of ‘letting a thousand flowers bloom’ towards one of homogenisation (Wallace, 1997; Wallace et al., 2006: 42). Moreover, it reduces civil society to a set of professional NGOs mirroring the very characteristics of those organisations that fund them (Edwards, 2004: 35).
5.6 Conclusion

This study examined (1) how the belief systems and practices of private aid agencies are changing due to the diffusion of managerialist ideas and methods and (2) whether the managerialist approach is compatible with the goals, values and assumptions related to social transformation. To answer these questions, we reconstructed ideal-types of the ‘old’ social transformation logic and the ‘new’ managerial logic. Our analysis showed that the introduction of the managerial logic contains a set of goals, values and assumptions that represents a fundamentally different perspective about (the way to achieve) development, the role and value of civil society, relations with local counterpart organisations, the governance of such relations and the required characteristics of local counterparts. Our analysis of Christian Aid and ICCO demonstrated that these agencies have so far remained ‘loyal’ to their original belief systems, although political and societal pressures have forced them to adopt a range of managerial practices. Because the agencies thus far have only embraced a ‘light’ version of the managerial logic, they are not yet forced to fundamentally revaluate the alignment between their belief systems and their actual practices.

With continuing societal and political pressure to deliver ‘tangible’ results, the need for such a revaluation at some point seems inevitable. Our study made clear that the managerial logic is fundamentally at odds with the goals, values and underlying assumptions of the social transformation logic on at least six key areas. These findings cast serious doubt on one of the key premises underlying the managerial logic, namely the assumption that it offers a universally applicable approach to enhance performance in the field of development, irrespective of the underlying assumptions, beliefs or convictions of the persons, groups or organisations involved. This makes it highly questionable whether the two logics can truly be merged or whether they can even co-exist in some hybrid way. This is problematic because the pressures for accountability and tangible results are more likely to increase than to decrease in the near future. Private aid agencies run the risk of organisational schizophrenia, the more so if they continue to embrace managerialist practices while sticking to their ‘solidarist’ beliefs, qua conviction or internal legitimisation. These findings do not mean that private aid agencies should bluntly reject or refrain from managerialist practices. They do imply, however, that private aid agencies should be aware of the difficulties, tensions and sometimes even impossibilities that emerge from combining the managerialist and social transformation logics in their daily practice.
Chapter 5

The main challenge for private aid agencies is to clarify where they stand in terms of what kind of change they want to bring about and what their underlying values and assumptions are. Only by making their own position explicit it become possible for them to see where they (want to) stand in relation to the goals, values and assumptions of both the social transformation and managerial logics. The contradictions between both logics will increasingly challenge and even force private aid agencies to make such choices about their future direction. We envision two basic future directions, although variants are certainly possible. One direction represents a future in which private aid agencies increasingly come to rely on managerialist principles and the maximisation of effectiveness and efficiency to generate (added) value. It is a direction which implies a welfare approach to development with heavy emphasis on technical problem solving. While it is an attractive direction in the sense that it – at least in the short term - allows private aid agencies to continue to draw upon governmental funding sources, it also implies reduced autonomy from official donors and the risk of becoming increasingly interchangeable with governmental and business actors. Another direction stands for a future in which private aid agencies raison d’être is based on civic values and a more politicised role in development. While this direction implies reduced access to official funding with consequences for their current status in terms of income, staffing and size, it offers more organisational autonomy, a developmental approach that is distinctive from what the governmental and business actors can offer and (added) value in terms that go beyond effectiveness and efficiency. Whatever they decide to do, private aid agencies stand at a crossroads and the choices they make will have key consequences for their future relevance and identity.
Conclusions and outlook
6.1 Introduction

Partnerships between private aid agencies and Southern counterparts are seen as the foundation of private development cooperation. Ideally, such partnerships are associated with shared goals, mutual roles and responsibilities, an equitable distribution of costs and benefits, a shared responsibility for agreed outcomes, shared governance, open dialogue, and mutual accountability. Furthermore, partnerships are thought to be rooted in solidarity and characterised by values such as equality, trust, reciprocity and mutual respect. At the heart of these partnerships is an emphasis upon enabling and fostering the autonomy and capacity of local partners. This implies that partners are able to set the final agenda for their own work while private aid agencies refrain from interfering in their internal affairs. In addition, it means that partnerships are to be based on flexible and long-term funding arrangements and the provision of capacity building support if needed.

There has been much criticism of private aid agencies’ ability to live up to these principles for ideal partnership. Existing research on North-South NGO relations has shown that private aid agencies’ control over funding inevitably results in inequality. While partnerships are mutually dependent relationships in the sense that both parties need each other to achieve their objectives, this mutual dependence does not generate equal leverage in practice. Due to the funding involved, partnerships are said to ultimately reproduce the characteristics of donor-recipient relations in which private aid agencies have the capacity to enforce their preferences upon their partners. Various studies have found that private aid agencies have used their control over funds to impose programmatic objectives, management practices, accountability requirements and rigid funding arrangements. As a consequence, the picture of partnerships that has emerged in the literature is one of relations that in reality are top-down rather than bottom-up and characterised by conditionality instead of ownership, control rather than trust and dependence rather than autonomy.

This study is about the partnership paradox, the contradiction between the principles associated with partnerships and the actual practice of North-South NGO relations. This partnership paradox matters as it has major implications for private aid agencies’ relevance and legitimacy. First, it raises doubts about whether they allow their partners sufficient operational space to ‘own’ their interventions and tailor development projects to local priorities and context. Such ownership is widely perceived as a key condition for achieving aid effectiveness and sustainability. Second, the partnership paradox undermines the assertion that private aid agencies are better able to have high
quality relations with Southern NGOs than their governmental counterparts. This has ramifications for their added value in the international aid system, which is partly based on their (perceived) unique ability to have ‘genuine’ partnerships. Third, by failing to realise such partnerships, private aid agencies’ actions conflict with their own organisational values. This is problematic because they, as value-driven organisations, have to align their organisational structures and inter-organisational relations with their core values to maintain their identity and legitimacy.

As of yet, the existing literature on North-South NGO relations has been struggling to explain the partnership paradox. The primary objective of this study is therefore to provide such an explanation. Overall, it poses the following central research question:

*What explains the discrepancy between the principles and practices of partnerships within private development cooperation?*

Answering this question requires knowledge about (1) the gap between the principles and practice of partnership and (2) the countervailing forces that push towards and pull away from the ideal of partnership. The principles of partnership have already been clearly outlined in the literature. As such, this study must clarify the practice of partnership to establish the gap with its principles. While the literature clearly shows that the practice of partnership is unequal due to the funding involved, it suffers from three main shortcomings. First, thus far the emphasis has largely been on private aid agencies’ failure to live up to the ideal of partnership as opposed to their efforts to live up to it. Second, existing research has tended to emphasise the greater power of private aid agencies while depicting Southern NGOs as having little room to manoeuvre. Third, prevailing studies have not systematically identified the mechanisms through which private aid agencies exercise their greater power. To add to our knowledge on the gap between the principles and practices of partnership, this study must first tackle these limitations.

The existing literature also fails to properly explain those forces pushing towards and pulling away from the ideal of partnership. While partnership has achieved the status of a norm for North-South NGO relations, this norm has been largely taken for granted by existing research. As this is the case, it remains rather unclear why private aid agencies attach so much importance to the ideal of partnership. The same applies to the premises and ideas underlying the forces pulling away from this ideal. Several studies have linked private aid agencies’ inability to live up to the ideal of partnership to their dependence on back donor funding. Due to an increased emphasis on tangible
results and transparency, official funding conditions are said to have become increasingly tight and demanding. Yet, the (implicit) thinking underlying this ever greater emphasis on accountability and how it relates to the ideal and practice of partnership has not yet been systematically examined.

To explain the partnership paradox, this study used a comparative case study design, which included the partnership approaches of three private aid agencies – Christian Aid (CA), Interchurch Organisation for Development Cooperation (ICCO) and Action Aid (AA) - and their local partner organisations in India, Ghana and Nicaragua. For its analyses, it drew upon in-depth interviews with agency-staff and partner-representatives, a survey amongst partner organisations and relevant documents (e.g. policy papers, contracts). The core of this thesis consists of four empirical chapters, which address the existing limitations of the literature and shed light on different aspects of the partnership paradox from different theoretical lenses.

For conceptual guidance in answering the main research question and addressing the limitations of the literature, this study used a power framework that consists of an episodic and a systemic perspective (Lawrence, 2008). Episodic power refers to strategic acts by actors in the context of social relations to get others to do what they otherwise would not do. This mode of power has been the traditional focus of organisational research and theory, with its emphasis on examining which actors are most able to influence organisational decision making (Clegg, 1989). This power perspective was used to clarify the (in)equalities present in the practice of partnership and establish the discrepancy with the ideal. In particular, it was used to shed light on the mechanisms through which power is exercised in the relationship between agency and partner, to determine the influence and room to manoeuvre of partners and to clarify how private aid agencies try to live up to the ideal of partnership.

The systemic perspective of power was employed to gain an understanding of the broader forces pushing towards and pulling away from the ideal of partnership. This perspective views power as something that is inherent to the systems of meaning and signification that shape the identity, motives and interests of actors. By determining what thoughts and actions are normal, appropriate or meaningful, prevailing norms, values and beliefs render some types of behaviour as legitimate and others illegitimate, which leads to self-regulation and internalised constraints (Barnett & Duvall, 2005). Contrary to the episodic perspective, which views power as a commodity, something to be acquired and used for a specific purpose, systemic power cannot be attributed to the strategic behaviour of actors. In this study, the systemic perspective has been used to understand the forces that push towards and pull away from the ideal of partnership.
The remainder of this concluding chapter is structured into three parts. Section 6.2 presents the main findings of this dissertation and the answer to the main research question. Section 6.3 identifies the main contributions of this study to the literature on North-South NGO relations. Section 6.4 discusses the implications of the findings in the light of the ongoing debates about the (future) legitimacy and relevance of private aid agencies.

6.2 Main findings

To explain the partnership paradox, section 6.2.1 starts by identifying the gap between the principles and practices of partnership using the episodic perspective of power. As the principles are already known from the literature, the emphasis lies on clarifying the nature of its practice. Once the gap between the ideal and practice is established, sections 6.2.2 and 6.2.3 seek to explain its underlying causes from the perspective of systemic power. While the former identifies the shared beliefs, norms and values from the institutional environment that push private aid agencies towards the ideal of partnership, the latter establishes those that pull them away from this ideal.

6.2.1 The practice of partnership

Regarding the mechanisms through which private aid agencies exercise their greater power, the influence of local partners was found to depend above all on the rules that regulate the decision-making within the partnerships. Chapter 2 showed that the partnerships of CA, ICCO and AA are governed by rules that consistently determine the extent to which their partners may participate in the decision-making process specific to a given topic. These topics include areas such as funding, project-design and implementation, accountability, monitoring and evaluation, capacity building and the policy of ICCO, CA and AA. Three degrees of participation were identified, reflecting three levels of influence. At the first level, partners are fully excluded from the decision-making and denied the opportunity to set the agenda. At the second level, partners are allowed to set the agenda, but the final decision remains with agency-staff. At the third level, partners can set the agenda and make final decisions themselves. Overall, partners of all three agencies have the most influence on topics associated with project-design and implementation and the least influence in topics related to agency-policy. Chapter 2 also demonstrated that for some topics, the decision-making rules are not applied consistently. These ‘flexible’ decision-making rules allow CA, ICCO and AA to determine
on a case-by-case basis how much influence to grant their partners (more about this below).

Although the rules of all three agencies permit their partners considerable influence, partners of ICCO and CA are allowed more influence than those of AA. In the case of ICCO and CA, this study showed that these agencies put much effort in trying to live up to the ideal of partnership as the decision-making rules largely reflect this ideal. In the area of project-design and implementation, partners of these two agencies tend to enjoy a lot of autonomy as long as they stay within the boundaries of the agencies’ programmatic policies (e.g. theme, strategy, target group). Furthermore, once ICCO and CA get to know an organisation and feel it can be trusted, partners have generally no problems in securing long-term and flexible funding arrangements. Also, it is standard-practice for both agencies to make funds available for capacity building support which, under normal conditions, is done on the basis of their partners’ own priorities. In the area of accountability, partners mostly can tailor the agencies’ reporting procedures and formats to their own planning, monitoring and evaluation system. The one main area where there is clearly a gap between the rules of ICCO and CA and the principles of partnership relates to agency-policy. While partnerships ideally are characterised by shared governance, the agencies develop their policies largely without involvement of their partners. One partial exception is country and/or regional policy for which partners are asked to provide feedback on policy proposals.

The decision-making rules of the partnerships of AA are more rigid than those of CA or ICCO and allow less autonomy to partners. In the area of project-design and implementation, the rules of AA ascribe a ‘hands on’ role to its Project-Officers (POs), who are closely involved in local decision-making and actively participate in their partners’ operations. The rules of AA offer few opportunities to partners for negotiating core funding and capacity building support. Its rules in the area of accountability are more demanding than those of ICCO and CA. In addition to its upwards accountability requirements, AA also obliges its partners to be downwards accountable to the communities with whom they work. Finally, in common with the other two agencies, AA largely develops its policies without the participation of its partners. As with CA and ICCO, the exception is its country policy for which AA organises consultations with its partners.

For ICCO, CA and AA, some partners exert more influence than others within the space offered by the decision-making rules. Hence, while all three agencies have rules that under normal conditions ensure a high degree of constancy in decision-making, they do allow for some variation between partners, particularly in the case of topics
governed by ‘flexible’ decision-making rules. Chapters 2 and 4 showed, for example, that CA, ICCO and AA have partners that enjoy virtual autonomy while designing and implementing projects, while others work with (much) more involvement from their respective PO. Similarly, some partners decide themselves on the formatting of their financial and narrative reports, while others are compelled to work according to a specific template. As a consequence of the variations in the application of the rules, the differences between ICCO and CA on the one hand and AA on the other hand as explained above are not always clear cut.

Variations in the application of the rules were traced to differences between POs as well as partners. Regarding the first, chapters 2 and 4 demonstrated that POs play a pivotal role in the partnerships as they are responsible for interpreting and applying the rules. Because POs have considerably autonomy in their day-to-day affairs and the rules allow for some elasticity in their application, there are noticeable differences between how different POs apply the rules. Considerable variation was identified between the willingness of individual POs’ to refrain from interfering in decision-making and to ‘bend’ the rules should the situation require it. Long-time partners explained how the change of their PO had major consequences for the relationship. Partners shared experiences of POs who pursued their own agendas or rigidly adhered to the rules, as well as experiences with POs who were prepared to be flexible and demonstrate ‘solidarity’ in times of need. One thing stands out: POs are more inclined to interpret the rules flexibly when they trust a partner. Some well-trusted partners of ICCO and CA were even found to enjoy special privileges, such as relaxed reporting requirements or more flexible funding.

In addition to POs, differences between partners also explain for variations in how the rules are applied. Chapter 2 and 3 identified several tactics that partners use to influence the decision-making process. The first tactic is negotiating on the basis of the mutual dependence that underlies the partnerships. Chapter 2 demonstrated that large partners with multiple sources of funding, a reputation of being credible and high performing, and a strong knowledge/expertise base are generally more attractive, and therefore in a better position to negotiate, than organisations lacking these characteristics. Partners of ICCO and CA typically appeared to be better negotiators than those of AA. This difference was traced to the fact that ICCO and CA tend to work with established (and therefore ‘stronger’) NGOs whereas AA primarily works with (‘weaker’) community-based organisations (more about this below). In particular, the fact that many AA-partners have no other sources of funding was found to limit their negotiation position. Chapter 3 shows that even if partners lack a strong negotiating position, they
can still exert influence by trying to connect with their PO on a personal level or by means of persuasion. These tactics share a common feature insofar as their success largely depends on a degree of trust being present in the relationship.

Even when partners are unable to exert any influence on the decision-making process, they still have a number of strategies at their disposal to maintain their room to manoeuvre. Chapter 3, which also looked at the experiences of the partners with funding agencies other than CA, ICCO and CA, identifies three of such strategies. First, Southern NGOs generally try to avoid entering into a situation where they have to deal with undesirable funding conditions in the first place. Avoidance tactics include being selective when looking for new donors, turning down funding offers if undesirable strings are attached or exiting from an existing relation when newly imposed conditions are perceived as unacceptable. Second, organisations may take measures to minimise negative effects when a degree of compliance is inevitable. For example, by using funds generated from consultancies or renting out buildings, they can finance overhead costs or parts of projects that donors are unwilling to fund. Third, organisations may try to manipulate the perceptions of donors by portraying themselves in a more positive light. They might, for example, emphasise successes and downplay failures in their reporting or adopt a gender policy not necessarily because they are convinced of its relevance, but because it sends a positive signal to their donors. Overall, this study demonstrated that partners are far from powerless in their relations with private aid agencies and have various strategies at their disposal to increase their influence and maintain their room to manoeuvre.

While CA, ICCO and AA normally act in line with their policy intentions, they can always deviate from these intentions. Chapters 2 and 4 showed that the agencies’ control over funding enables them to unilaterally establish the rules that regulate their partnerships. Because they want to stay in control of their organisational identity and prevent possible conflict of interests, they resist the idea of letting their partners influence their policy. As a consequence, partners have no opportunity to influence the rules as they are denied the opportunity to participate in the decision-making in which the rules are set. The fact that the rules offer considerable room and opportunities to partners - particularly in the cases of ICCO and CA - therefore ultimately depends on the agencies’ continued willingness to act according to their own intentions. There are no sanctions if the agencies do not ‘practice what they preach’. Agency-staff always have the opportunity to deviate from the rules to the extent that they can even act against the will of their partners. This implies that, in the last analysis, the latter do not have any guarantees within the relationship beyond what is captured contractually. Partners of
ICCO and CA, for example, do not have the right to receive core funding, it is given to them on a case-by-case basis. Similarly, although it is the intention of all three agencies to communicate well in advance that they want to stop funding, they can nevertheless decide at the very last moment that they are not going to renew a contract. This shows that even the partner-relations of ICCO and CA, who largely live up to the ideal of partnership, at their core remain fundamentally unequal.

In sum, all three agencies above all exercise their power through the rules that regulate the decision-making within the partnerships. While the rules of CA and ICCO clearly reflect the ideal of partnership, this is less the case with AA. Although the rules of AA still allow considerable room to partners, they are more rigid and offer less autonomy. What all three agencies have in common is that their partnerships are ultimately based on goodwill. There are no sanctions if the agencies deviate from their own (partnership) policy intentions. While this illustrates that the partnerships at their core remain structurally unequal, this does not mean that partners are powerless. They have various strategies at their disposal to increase their influence or maintain their room to manoeuvre. Whether they succeed in exercising influence, however, for an important part depends on their (relation with their) respective POs, who assume a pivotal role in the relationship as mediators between rules and partners.

6.2.2 Pushing towards partnership

The second step in explaining the partnership paradox is shedding light on the underlying forces that push towards the ideal of partnership. Chapters 4 and 5 showed that the importance that ICCO and CA attach to partnership is inseparably related to their organisational values and development (cooperation) philosophy. For these agencies, the solidarity between people in different parts of the world fighting together against injustice is a major source of inspiration, which means that values such as equality and trust are guiding principles for partner-relations. ICCO and CA perceive their added value and strategic relevance to lie in their commitment to supporting the local partner organisations that they consider best placed to understand and represent the needs and interests of marginalised people. Their underlying premise is that any contribution to addressing the root causes of poverty must be anchored in the local social fabric. As such, they are to limit interference in their partners’ operations. Furthermore, as ICCO and CA identify civil society to be at the core of social transformation, one of their goals is to strengthen the capacity of their partners. In contrast, AA believes it can best contribute to development processes by being closely involved at the ground level. For AA, it is not organisations but poor people and civic
action that are central to achieving change. This implies a more instrumental approach to partnership, which emphasises community participation and empowerment rather than the autonomy of partners. It is because of its community-centred philosophy that AA compels its partners to be downwards accountable while keeping their overheads as low as possible.

This sub-section expands upon these findings and shows that the ideal of partnership should be understood as part of a broader set of beliefs, values and practices dealing with (the role of civil society in) development, which became adopted widely by private aid agencies in the 1980s. Chapter 5 demonstrated that ICCO and CA are clear examples of private aid agencies that have embraced this set of beliefs, values and practices, which is referred to in this study as the ‘social transformation logic’. In order to identify the reasons why private aid agencies tend to attach so much importance to the ideal of partnership, the main components of the social transformation logic are elaborated below. It is important to note that the social transformation logic, like any theoretical construct, does not necessarily relate to what organisations think or do in practice.

Central to the social transformation logic is the premise that development is an indigenous process that is ultimately about changing the unequal power relations that shape society. Poverty is not viewed as something that is inevitable or ‘natural’, but as the result of human-made social, economic and political structures that favour certain groups of people at the expense of others. Consequently, development is viewed in terms of the empowerment of marginalised groups, resulting in a transformation of the status quo. While development cooperation can perhaps facilitate the process of social transformation, the latter is explicitly viewed as an indigenous process. As such, the social transformation logic begins with the idea that the root causes of poverty can only be addressed in a sustainable and effective manner when local people are in control of their own development.

In the social transformation logic, civil society’s strength is seen to lie in its autonomy. Civil society is seen as a realm where grassroots movements, social organisations and change-oriented NGOs can speak up for the interests of people who are either ignored or done injustice by the state or market. Plurality of civil society is considered crucial because of the wide variety of interests to be represented and different goals and values to be pursued. Its autonomy from the state and from official donors is thought to be crucial for its ability to challenge vested interests and address prevailing unequal power relations. The state is typically seen as either unable or unwilling to address the needs and rights of marginalised people or playing an active
role in the abuse of human rights. In a similar sense, the social transformation logic is generally critical towards official donors as these are seen as having their own political agendas, which are believed to undermine their ability and willingness to initiate deeper changes to the structures that marginalise people. As such, the social transformation logic strongly rejects a view of civil society as implementers of state or official donor policy.

Partnership is the effective translation of the above ideas into the actual practice of North-South NGO relations. As development is viewed as an indigenous process that should be locally owned, private aid agencies cannot be operational in the South themselves. When taken together with the emphasis on organisational autonomy, this implies that private aid agencies’ role is to provide support and enable their partners to do the actual work ‘on the ground’. They are to refrain from becoming overly involved in the work of their partners, let alone interfere in their internal affairs. Capacity building support, flexible funding arrangements and long-term relations are considered essential for fostering the autonomy and strength of their partners. Given the inevitable inequality arising from the transfer of funds, private aid agencies are required to take steps to minimise power asymmetries and help partners to reduce financial dependence.

Within the social transformation logic, partnership is also an end in itself. To many private aid agencies, partnership is more than the most effective and sustainable way to contribute to development. It is also an expression of the solidarity that is the driving force behind their work. From this perspective, partnership represents the aspiration for cooperation between people in different parts of the world to challenge injustice on the basis of equality, trust and reciprocity, and a common vision and goals. As such, it reflects the desire to have relationships with others that are neither unilateral nor purely economic. This implies that partnership is inextricably linked to private aid agencies’ organisational values and identity.

In sum, the ideal of partnership must be understood as part of a widely shared set of beliefs, values and practices in the private aid channel with regard to (the role of civil society in) development. Within this set of beliefs, values and practices, the importance of partnership rests on two pillars that are mutually reinforcing. On the one hand, it is rooted in a set of premises pertaining to the conditions under which private aid agencies can contribute to development in an effective and sustainable manner. On the other hand, partnership is inseparably related to private aid agencies’ values and identity. For private aid agencies, partnership is therefore a meaningful, appropriate and morally correct way of relating to Southern NGOs.
6.2.3 Pulling away from partnership

The third and last step in explaining the partnership paradox is identifying the forces that represent a pull away from the ideal of partnership. Chapter 5 showed that in recent years the practices of ICCO and CA have been changing due to growing demands for greater accountability. These pressures not only originate from back donors, which have become ever more demanding in terms tangible results and transparency, but also from an increasingly critical public attitude towards development cooperation. While ICCO and CA continue to hold on to the social transformation logic in terms of their values and beliefs, their practices reflect a growing emphasis on accountability. Achieving organisational objectives has become much more important for the agencies, which, amongst other things, is reflected in an increased preference for highly professional partners that can deliver results. Partner-contracts have become legally valid in recent years and include increasingly detailed project-plans, which set out the targets and milestones to be achieved. There has also been a shift from input-based to outcome-based reporting, with agency-tasks revolving to a greater extent around assessing risk, monitoring performance and ensuring that reports sufficiently address the agreed upon results.

While ICCO and CA have been able to stick to their ‘solidarist’ beliefs, this is becoming increasingly difficult. Chapter 5 demonstrated that the increasing emphasis on achieving agency-objectives, delivering measurable and predictable results, monitoring performance and minimizing risk clashes with the ideal of partnership. Moreover, it identified these ideas and practices to be part of a broader set of beliefs, values and practices referred to as the ‘managerial logic’. The remainder of this sub-section identifies the main components of the managerial logic and establishes how they conflict with the principles of partnership.

The managerial logic entered the private aid channel in the 1990s and has its roots in private aid agencies’ ongoing professionalisation coupled with increased calls for tangible results from governmental donors and the general public. The managerial logic represents a specific kind of management based on ‘scientific’ principles, technical problem solving and the application of tools for planning and quantitative performance measurement. With its emphasis on promoting effectiveness, efficiency and value-for-money, it ultimately represents an attempt to restore trust in private development cooperation as something worthy of (financial) support. The underlying assumption is that this can be achieved by heightened control and predictability and reduced risk. While the managerial logic is strongly promoted by official donors and enforced through their funding conditions, it is also (partly) voluntarily adopted by private aid
agencies as a means to improve effectiveness and demonstrate their relevance. While the managerial logic is presented as ideologically neutral, chapter 5 demonstrated that it is based on a set of interconnected goals, beliefs, values and norms.

Unlike the social transformation logic which emphasises the need for political change, the managerial logic begins from the idea that improved management and technical solutions are the optimum route to development. The latter logic views development as a process than can be planned and controlled in rational steps with the aim of realizing tangible outcomes in the most cost-effective way possible. Central to this logic is the application of sophisticated tools in such fields as financial management, risk assessment, planning, monitoring and evaluation. The emphasis on technical solutions is contrary to the social transformation logic’s emphasis on changing unequal power relations. Moreover, the tools associated with the managerial logic are based on causality and the quantification of information and as such are limited in their ability to handle interventions that are unpredictable, process-oriented and difficult to measure. As these are precisely the characteristics of most ‘politicised’ interventions, the tools associated with the managerial logic run the risk of limiting the scope of intervention to precisely those interventions that – according to the social transformation logic – fail to address the root causes of poverty.

In contrast to the importance that the social transformation logic attaches to organisational autonomy, the managerial logic has an instrumental perspective of civil society. The latter logic begins from a consensual perspective on state, civil society and official donors and views these as working towards a common global cause. Civil society’s role and relevance is seen to lie in its ability to contribute to internationally established objectives (e.g. Millennium Development Goals) as well as the policy goals of official donors. While civil society organisations are viewed as implementers of policy objectives established by others, their value is seen to lie in the direct utility offered to their ‘users’. This perspective contradicts the social transformation logic’s emphasis on autonomy as a pre-condition for civil society to challenge vested interests and to stand for marginalised people. In addition, it leaves little room for supporting interventions aimed at strengthening the capacity and autonomy of civil society organisations. By becoming implementers of state and official donor policies, proponents of the social transformation logic would argue that civil society not only loses its critical edge, but ultimately loses its ability to address the root causes of poverty.

While the social transformation logic recognises the intrinsic value of North-South relations and begins with trust as the basis of interaction, the managerial logic views such relations as fee-for-service exchanges requiring control measures to prevent abuse.
The latter implies a contract-culture in which North-South NGO relations are ultimately reframed as economic transactions in which Southern NGOs offer their services to the highest bidder. As the managerial logic sets out from the assumption that people are primarily driven by a desire to maximise personal advantage, it perceives independent and objective surveillance mechanisms as key to preventing abuse. The underlying idea is that by formalizing and objectifying relations by means of quantitative verification, it becomes possible to minimise the chance of incompetence, arbitrariness and fraud while maximizing effectiveness and efficiency. This directly contradicts the social transformation logic, which assumes trust to be the basis of any relationship and views people as driven by a personal commitment to take a stand against injustice. In addition, the very notion that civil society organisations primarily serve to implement policy objectives set elsewhere conflicts with the premise that Southern NGOs should be able to set their own agenda. Furthermore, the imposition of management standards contradicts with the idea that private aid agencies should not interfere in the internal affairs of their partners.

In sum, the managerial logic plays an important role in private aid agencies’ inability to live up to the ideal of partnership. While presented as a neutral way to enhance effectiveness and efficiency, it contains a particular set of goals, beliefs, values and practices that has profound implications far beyond the domain of management. The managerial logic represents a specific perspective on development, the role of civil society in it and the nature of North-South NGO relations. Moreover, it contains a number of premises about the manner in which private aid agencies can best contribute to development that are contrary to the social transformation logic. These premises are contradictory to the principles of partnership as they imply utility rather than solidarity, control instead of autonomy and distrust in place of trust. As such, the managerial logic reinforces the existing inequality that is inherent to relations characterised by resource dependence. By combining both the managerial and social transformation logics, private aid agencies run the risk of organisational schizophrenia as they are trying to unite conflicting belief systems and practices.

### 6.3 Contributions to the literature

In its quest to explain the partnership paradox, this dissertation addressed several gaps and limitations of the prevailing literature on North-South NGO relations. In particular, it has made the following contributions:
• This study showed that in their relations with funding agencies, Southern NGOs have a range of strategies at their disposal to maintain their room to manoeuvre and increase their influence. It is the first to systematically examine and categorise the range of strategies they use to manage undesirable funding conditions. In doing so it adds to our understanding of Southern NGOs' organisational behaviour while addressing a tendency in the literature to overlook their countervailing power.

• This research has been the first to shed light on the institutional design of partnerships. It showed that in establishing the rules that govern their partnerships, private aid agencies draw upon a set of premises and values regarding the conditions under which they can best contribute to development. This implies that any institutional redesign of their partnerships should be about achieving alignment between (new) premises and values and the actual rules governing behaviour.

• This thesis demonstrated the existence of two competing institutional logics within the private aid channel which have contrary implications for the practice of partnership. While ‘social transformation logic’ pushes private aid agencies towards the ideal of partnership, the ‘managerial logic’ pulls them away from this ideal. The existence of both logics is problematic in the sense that private aid agencies seeking to comply with both logics simultaneously run the risk of organisational schizophrenia due to contradictory belief systems and practices.

• Whereas the tendency in the literature has been to focus on funding when discussing the power asymmetries that characterise partnerships, this study shows that these power asymmetries are in fact institutionalised in the rules that govern the relation. Partners do not have any guarantees within the relationship beyond what is captured contractually. Furthermore, by determining the extent to which partners are allowed to participate in the decision-making processes, the agencies effectively control the decision-making in the partnerships. This implies that as long as private aid agencies do not allow their partners to co-determine the rules, their partnerships at their core remain fundamentally unequal.

6.4 Private development cooperation at the crossroads

Now that the main research question has been answered and the contributions to the literature have been made explicit, the question remains what the policy implications of the findings are. The remainder of this chapter therefore seeks to deliberate upon these findings. As such, it is not based on the evidence gathered for this study but represents
an exploration of their ramifications in view of the ongoing debates about the legitimacy and relevance of private aid agencies.

To prevent ending up in a situation where they can no longer reconcile conflicting logics, private aid agencies have to make a choice about their future direction based on the type of organisation they want to be. In the current political climate, it is likely that the pressures on private aid agencies to adopt the managerial logic will continue to increase. As such, it seems inevitable that a point will be reached in which it is no longer possible to bridge the social transformation and managerial logics. To ensure that they do not end up in such a situation unprepared, private aid agencies need to provide clarity about what they perceive as their purpose and identity. Only then they will be able to decide upon their future direction and think through the implications of different future scenarios. Inevitably this brings up such questions as to whether or not they construe development from the perspective of social transformation, attach importance to their autonomy and consider ‘genuine’ partnership central to their approach.

For those private agencies that are strongly committed to the social transformation logic and thus attach importance to the ideal of partnership, the finding of this study first of all imply that they must let their partners co-decide on the rules that govern the relationship. Even though their rules already might be largely aligned with the ideal of partnership, the relationship will remain fundamentally unequal as long as they continue to set the rules unilaterally. The authority to set the rules is where the real power in the relationship lies. If private aid agencies really want to practice what they preach, this is the area where they can make the biggest difference. This means that they have to move beyond ad hoc partner-consultations and explore different ways of opening up the decision-making process in which the rules are set. Obviously, shared rule-setting would bring about all kinds of difficulties and dilemmas. Amongst other things, private aid agencies would have to deal with practical constraints regarding the sheer number of partners, conflict of interest and maintaining their organisational identity. Yet, if they truly have the aspiration of international solidarity, they cannot avoid adopting a more international profile and give up a degree of control over their own organisation.

The findings from this study also imply that a future direction based on the social transformation logic is likely to present various difficulties. Private aid agencies that continue to hold on to the social transformation logic are apt to have increasing difficulties in acquiring official funding. As more and more organisations look for funding sources outside the official aid system, it is likely that a fierce competition for such sources will emerge. Furthermore, even a future direction (largely) outside the official aid system still means that they have to deal with increasing pressures to demonstrate
results. Private aid agencies must take into account that these pressures do not solely come from the government but are part of a much larger societal trend in which levels of trust in public institutions is declining. The main advantage of operating outside of the official aid system is, however, that private aid agencies can deal with these accountability pressures on their own terms. Overall, it seems inevitable that many private aid agencies will have to cope with the organisational consequences of a diminished income (e.g. staffing, size).

Choosing for the managerial logic is fairly likely to ensure continued future access to funding from the official aid system. At the same time, the findings of this study imply that by embracing the managerial logic, private aid agencies run the risk of losing their distinctive properties at three levels: (1) their ability to challenge prevailing power relations, (2) their ability to have (more) equal relations with Southern NGOs, and (3) their value-driven nature and civic identity.

First, by embracing the managerial logic, private aid agencies risk giving up doing precisely that which no other actor in the field of international development is able to do: challenging prevailing power relations. The managerial logic implies a sub-contracting role for private aid agencies in relation to official donors. As private aid agencies lose their autonomy, they will have a hard time engaging in activist activities and holding governments and businesses accountable for their actions. The difficulty to assume an activist role is strengthened by the use of rational tools for planning and measurement which are ill-equipped to deal with the nature of politicised interventions. The consequence is that private aid agencies’ goals and activities would become increasingly interchangeable with other development actors offering ‘development goods and services’.

Second, with adopting the managerial logic private aid agencies risk losing their unique ability to have (more) equitable relations with Southern NGOs on the basis of trust and local ownership. The managerial logic implies a relational approach based on constant monitoring of performance on the basis of ‘objective’ indicators. Furthermore, it holds an instrumental perspective on North-South NGO relations in which the purpose of the recipient organisation is to contribute to the policy objectives of the donor organisation. This means that it will be difficult for private aid agencies to take the priorities of local people and their organisations as the starting-point of relations. Moreover, it seems to contradict with the prevailing picture that Southern NGOs in the last decades have grown more capable to work independently. In addition, the emphasis on tangible results and efficiency makes it hard to justify funds to be spent on capacity building support and their partners’ overheads. Overall, private aid agencies will face
difficulties maintaining the relational approach that makes them distinctive compared to other development actors.

Third, by adopting a managerial belief system and its associated practices, private aid agencies risk undermining the value-base that defines their civic identity. In the managerial logic those elements which cannot be ‘objectively’ measured and have no direct utility in principle do not count. For private aid agencies this ultimately means that what the organisation inspires and represents is de facto irrelevant. Because organisations are evaluated on the basis of indicators for effectiveness and efficiency, the risk is that making sure that they score well on these indicators becomes a goal in itself. This would imply that organisations lose sight of their original mission. Moreover, any starting point that assumes that people cannot be trusted is in danger of undermining motivation and engendering cynicism. In the most extreme situation, employees of private aid agencies would no longer be people with a sense of personal vocation but people who sell their qualities to the highest bidder. When private aid agencies would replace values such as solidarity, equality, trust and reciprocity with effectiveness and efficiency, they not only risk losing their civic identity, but also becoming interchangeable with official donors and businesses.

Furthermore, private aid agencies should be aware of the fact that the managerial logic, once adopted, has self-reinforcing properties. First, with distrust as the underlying starting-point of relations, the need for increasingly strict rules and extensive monitoring seems inevitable. The need for such rules and monitoring is, in the first place, based on the implicit assumption that individuals have a tendency to pursue their own self-interest. This could create an environment of suspicion in which the fear of fraud is further exacerbated by the large distance between donor and recipient. If funding conditions are of such a nature that unworkable situations are created, however, it also seems to be unavoidable that organisations at some point will engage in undesirable behaviour. Chapter 3 demonstrates that Southern NGOs confronted with such conditions (e.g. refusal to pay overhead costs, unrealistic information requirements) may at some point have resort to the manipulation of proposals and reports in order to ensure their survival. Sooner or later, however, such deception is likely to come out and confirm that the already existing distrust was well-founded. Consequently, it will signal the need for even stricter rules and more extensive monitoring. With distrust becoming a self-fulfilling prophecy, it seems inevitable that a paper reality is created. Although more and more information is produced, it increasingly says less about what is actually happening on the ground.
Second, because the managerial logic produces competition, the risk is that organisations become trapped in an endless cycle to adopt the latest standards of performance and excellence. The managerial logic seeks to establish organisations’ effectiveness and efficiency on the basis of ‘objective’ quantitative indicators. This makes it possible to compare organisations and establish rankings of their perceived quality. Because the reputation and funding base of organisations depend on these rankings, they contribute to an environment of competition. To excel or at the very least not end up at the bottom of the list, organisations are under constant pressure to comply with the standards on which they are ranked. Due to this type of competition, individual organisations cannot afford to ignore the latest managerial trends as this implies a deteriorating position on the ranking list. In such an environment, however, it seems unavoidable that compliance with standards becomes a goal in itself. Moreover, it implies that ‘doing things right’, may become more important than ‘doing the right things’.

Given the profound manner in which the managerial logic affects the nature of private development cooperation, any debate about its future direction must discuss the desirability of the managerial logic itself. For such a debate, the following questions cannot be avoided:

- **What is the evidence that the managerial logic has restored public trust in private development cooperation?** Ultimately the managerial logic represents an effort to counter the declining levels of trust in private development cooperation. The implicit assumption is that by showing tangible results, trust is restored. Yet it remains unclear whether the production of information about effectiveness and efficiency has contributed to higher levels of trust. The underlying question is whether a system that commences from a position of distrust can restore trust.

- **What is the ultimate purpose of accountability: learning or assessing?** The decisive factor here is whether private aid agencies perceive accountability as an opportunity or as a threat. Only when accountability results in learning can it contribute to effectiveness. Nevertheless, an accountability regime that rewards success while punishing failure is unlikely to engender learning since it encourages organisations to exaggerate successes, while discouraging scrutiny of mistakes. An underlying question is whether it is possible to come up with an accountability regime that is conducive to the kind of social change that private development cooperation seeks to achieve.

- **How do the benefits of the managerial logic relate to the undesirable effects it produces?** Much has been written about the undesirable consequences of managerialist accountability arrangements. Amongst other things, means tend to become ends
and there is a tendency to avoid risk and on easily measurable activities. Furthermore, the managerial logic runs the risk of undermining trust, promoting deception and creating a paper reality. Finally, there are high costs associated with producing information and monitoring compliance. Yet it remains unclear what the returns are in light of the goal(s) of private development cooperation.

As a future direction for private aid agencies based on either the social transformation logic or managerial logic brings about major limitations and drawbacks, there is an urgent need for a new logic for private development cooperation. As shown in chapter 5, the current approach of simply trying to combine the social transformation and managerial logics in their entirety is ultimately not possible and desirable. Organisations that continue to do so run the risk of organisational schizophrenia due to conflicting premises and values. Private aid agencies therefore have to think through whether it is possible to combine elements of the two logics given their envisaged purpose and identity in creating a new logic. This entails greater understanding of what specific elements of both logics they consider important and useful. Moreover, private aid agencies need to rethink where their added value lies. This requires them to reconsider the basic premises underlying their work at present which, amongst other things, start from the distinction between the rich North and poor South, that civil society in the South is weak and needs to be strengthened and that private aid agencies can best contribute to development by means of providing financial and capacity building support to Southern NGOs. In doing so, private aid agencies will need to make some basic judgments about the probable evolution of how the field of international development is changing due to, amongst other things, the increase of direct funding and the increased capacity of Southern NGOs in many countries. In reinventing themselves, they can also learn from the experiences outside the development cooperation sector. What are the lessons learned in other sectors where more or less similar changes have occurred as in the private aid channel? How did or do organisations in such sectors reinvent themselves? What solutions have been found which regard to the increasing pressures for accountability?

Overall, it is clear that any meaningful deliberation regarding the future of private development cooperation in general must be rooted in substance rather than form. In the past years, this debate – at least in the Netherlands – has been dominated by a focus on means rather than ends. By focusing on regulations and instruments or the (perceived) inefficiency and effectiveness of private aid agencies, the essence or core purpose of private development cooperation has been too much ignored. Also, such a perspective makes it impossible to discuss the desirability of the managerial logic itself.
Therefore, if a debate about the future of private development cooperation is to be meaningful, it should be focussed on the kind of change private development cooperation aspires to achieve, the values on which it is based, the conditions under which civil society organisations can best contribute to the processes of development and the role that North-South NGO relations can play in it.
Summary

Samenvatting (Summary in Dutch)

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Documents of Action Aid, Christian Aid and ICCO

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Summary

Introduction

This dissertation explores the principles and practice of partnership between Non Governmental Organisations (NGOs) from industrialised countries in the ‘North’ and developing countries in the ‘South’. Most Northern NGOs involved in development cooperation, also called private aid agencies, work together with Southern NGOs to achieve their goals. In such relations, private aid agencies typically provide financial and technical support while their Southern counterparts are responsible for implementing development projects. There has been a long tradition of referring to North-South NGO relations as partnerships, which reflects a desire to work together on the basis of principles such as equality, trust, mutual respect and reciprocity. In a more operational sense, partnership implies that private aid agencies are to respect the autonomy of their partners while offering long-term and flexible funding arrangements and capacity building support. This is based on the idea that the autonomy of Southern NGOs is crucial for ensuring the effectiveness and sustainability of development interventions.

Partnership has been the subject of intense debate within international development cooperation. Since the mid-1990s, private aid agencies have been consistently criticised for failing to live up to principles of partnership. Due to the funding involved, partnerships are said to assume the characteristics of donor-recipient relations in which private aid agencies enforce their agendas upon their ‘partners’. As a consequence, the picture of partnerships that has emerged in the literature is one of relations that in reality are top-down rather than bottom-up and characterised by conditionality instead of ownership, control rather than trust and dependence rather than autonomy. In this dissertation, the contradictions between the principles and the practice of North-South NGO relations are referred to as the partnership paradox.

The partnership paradox is a topic that directly affects the legitimacy of private aid agencies. Their perceived inability to live up to the principles of partnership raises doubts about the autonomy of their Southern partners and as such the effectiveness and sustainability of private development cooperation. Furthermore, it calls private aid agencies’ added value in the international aid system into question because their added value is based in part on the idea that they are better able than other development actors to have ‘genuine’ partnership with Southern NGOs. If private aid agencies are unable to have such relations, what do they have to offer beyond being intermediaries for government finance? It also implies that private aid agencies - as value-driven organisations - fail to ‘practice what they preach’. This is particularly problematic because
they derive their credibility for an important part from the alignment between their core values and practices.

This dissertation seeks to explain the partnership paradox by (1) clarifying the gap between the principles and practice of partnership and (2) establishing why private aid agencies are unable to live up to these principles. Central to the study is a comparative analysis of the partnerships between three established private aid agencies - Christian Aid (CA), Interchurch Organisation for Development (ICCO) and Action Aid (AA) - and a selection of their local partners in India, Ghana and Nicaragua. Data for this study was collected from November 2007 through September 2008 using a combination of in-depth interviews, a survey and documentary analysis. The core of the thesis consists of four empirical chapters which address different aspects of the partnership paradox. Together these chapters clarify and explain the gap between the principles and practice of partnership, each doing so from a specific theoretical ‘lens’.

**Decision-making in partnerships**
Chapter 2 examines the power inequality that is known to characterise partnerships. Within the context of policy-processes, power is usually conceptualised in terms of influence in decision-making. While the literature clearly shows that the practice of North-South NGO relations is unequal due to the funding involved, this study is the first to systematically examine the decision-making in such relations. More specifically, chapter 2 maps the relative influence of partners vis-à-vis private aid agencies and reveals the processes underlying decision-making outcomes. It asks the following research question:

*To what extent are the partners of ICCO, Christian Aid and Action Aid able to influence the decision-making within their partnerships and what explains their relative influence?*

In answering this question, chapter 2 first identifies those topics that are central to the decision-making within partnerships. These topics are about areas like funding, project-design and implementation, capacity building, accountability, monitoring, evaluation and the policy of ICCO, CA and AA. It shows that the influence of partners differs considerably depending on the decision-making topic. On some topics, they appeared to have no influence at all while on others they have virtual autonomy. Overall, partners were found to have the least influence on topics related to agency-policy, and the most influence on topics related to project-design and implementation.

Chapter 2 shows that the partners’ influence is determined above all by the rules
that regulate the decision-making. ICCO, CA and AA are able to unilaterally set the rules for decision-making because they control the funding. These rules effectively determine for each topic the extent to which their partners are allowed to participate in the decision-making process. Three levels of participation were identified, reflecting three levels of influence. At the first level of participation, partners are fully excluded from the decision-making process and denied the opportunity to get their own preferences or concerns on the decision-making agenda. At the second level of participation, partners are allowed to set the agenda, but the final decision remains with staff of ICCO, CA and AA. At the third level, partners can set the agenda and are allowed to make final decisions. Finally, there is a group of topics on which partners’ participation in the decision-making is inconsistent and varies from case to case. These topics lack clear decision-making rules, which enables CA, ICCO and AA to determine on a case-by-case basis how much influence to grant their partners.

Despite the uniformity brought about by the decision-making rules, some partners clearly have more influence than others. This was found to depend on project-officers - who are responsible for managing partner relations on behalf of ICCO, CA and AA - and on the organisational capacity of partners. Project-officers are responsible for interpreting and applying the rules and also have to deal with the needs and demands of their partners. The willingness of individual project-officers to hand over decision-making authority and bend the rules differs considerably. Project-officers appeared to be more inclined to interpret the rules flexibly when a partner is trusted. However, partners are not merely passive actors at the mercy of agency rules and project-officers. Large partners with multiple sources of funding, a reputation of being credible and high performing and a strong knowledge/expertise base are attractive to funding agencies. Consequently, they are in a better position to negotiate than organisations lacking these characteristics.

The strategic behaviour of Southern NGO’s
Chapter 3 further explores the finding that Southern NGOs are not merely powerless in their relations with their donors. More specifically, it examines the strategies Southern NGOs use to deal with the greater power of their donors. Earlier research on the power asymmetries between Northern and Southern NGOs has emphasised the former’s domination over the latter, painting a rather bleak picture of Southern NGOs’ ability to deal with the conditions that are usually attached to funding. As a result, Southern NGOs have been implicitly victimised and portrayed as powerless. Chapter 3 contributes to a more balanced power perspective on North-South NGO relations by highlighting
Southern NGOs’ ability to manage these conditions. In order to ensure that the analysis was as complete as possible, this chapter – unlike the other three empirical chapters) is not limited to the partnerships of ICCO, CA and AA. It asks the following research question:

What kind of funding conditions do Southern NGOs perceive as undesirable and what kind of strategic responses do they employ to manage those conditions?

The findings of the research show that funding conditions can have a range of undesirable effects related to Southern NGOs’ autonomy and their ownership over development projects. First, tightly defined programmatic frameworks and rigid planning requirements were found to limit Southern NGOs’ ability to pursue local priorities, respond to unexpected events and remain consistent with their original mission. Second, the unwillingness of many donors to fund overhead costs appeared to constrain Southern NGOs’ ability to attract and retain qualified staff and invest in research, learning and innovation. Third, short funding periods and single contracts turned out to force Southern NGOs to divert much time and resources to fundraising while undermining their ability to undertake long-term planning and ensure the sustainability of their projects.

Southern NGOs appeared to have various strategies at their disposal to deal with adverse funding conditions, which shows that they are far from powerless. Four main types of strategies are identified: portraying, avoiding, influencing and buffering. Portraying refers to a set of in tactics in which Southern NGOs pretend to comply with funding conditions and depict themselves in a more positive light. They might, for example, emphasise successes and downplay failures in their reporting or adopt a gender policy not necessarily because they are convinced of its relevance, but because it sends a positive signal to their donors. Avoiding is about steering away from situations in which Southern NGOs have to deal with undesirable funding conditions in the first place. Avoidance tactics include being selective when looking for new donors, turning down funding offers if undesirable strings are attached or terminating an existing relation when newly imposed conditions are perceived as unacceptable. Influencing is about getting a donor to neutralise the funding conditions’ problematic content. For example, Southern NGOs may use their donor’s need for success as leverage during negotiations or by engaging donor-staff on a personal level. Buffering refers to a set of tactics aimed at mitigating the negative effects of funding conditions when a degree of compliance is simply inevitable. Southern NGOs, for example, may use funds generated
from consultancies or renting out buildings to finance those elements that donors are unwilling to fund.

**The rules of partnerships**

While Southern NGOs are by no means powerless in their relations with funders, the research findings show that the institutional policies underlying detrimental donor conditions remain beyond their influence. This again underlines the importance of the rules (see chapter 2) in understanding the practice of North-South NGO relations. Chapter 4 therefore sets out to further examine the role that rules play in shaping this practice. Conceptually, it builds upon the idea that relations between organisations are made up of different formal and informal rules that determine what actors can and cannot do. Besides the decision-making examined in chapter 2, such rules also establish, for example, what type of outcomes ought to be achieved, what the roles and responsibilities are, who qualifies for membership or what kind of information should be shared. This study is the first to examine how such rules shape the scope for action within partnerships. Chapter 4 postulates the following question:

*What are the rules in the partnerships of ICCO, Christian Aid and Action Aid, what explains their main similarities and differences, and how do they affect partners’ room to manoeuvre?*

The rules of ICCO and CA were found to be more in line with the principles of partnership than those of AA in terms of allowing partners to operate autonomously and providing flexible funding arrangements and capacity building support. This difference appeared to be directly related to differences in the agencies’ organisational values and development (cooperation) philosophy. For ICCO and CA, international solidarity is a key source of inspiration meaning that values such as equality and trust are guiding principles in their relations with partners. They perceive their partners to be best placed to understand and represent the interests of marginalised people. As such, they perceive their added value to lie in enabling their partners to do their work. This perspective is based on the premise that interventions aimed at addressing the root causes of poverty must be firmly anchored in the local context and initiated and driven by local people. As such, ICCO’s and CA’s rules have been designed to ensure the autonomy of partners in their project-design and implementation. Furthermore, as ICCO and CA identify a strong civil society to be at the core of social transformation, they regard strengthening their partners’ capacity as a goal in itself. This goal is reflected in the agencies’ rules which are accommodating in terms of capacity building support and flexible funding.
In contrast, AA believes it can best contribute to development processes by being closely involved at the ground level. As such, AA’s rules reflect a ‘hands on’ role for its project-officers who play an active role in project-design and implementation. The result is that AA-partners have less autonomy than their colleagues from ICCO and CA. While ICCO and CA see a strong civil society to be central to achieving change, AA believes that change is triggered by poor people and their communities. Consequently, AA’s rules aim to keep its partners’ overheads as low as possible and allow fewer opportunities for core funding and capacity building support. Finally, it is due to its community-centred philosophy that AA compels its partners to be downwards accountable to the communities where they work. In contrast, ICCO and CA – consistent with their emphasis on the autonomy of their partners – feel they are not in a position to interfere with their partners’ downwards accountability.

**Institutional logics**

Organisations are not only influenced by other organisations, but also by the broader institutional environment in which they are embedded. Chapter 5 examines how the principles and the practice of partnership are shaped by the institutional environment in which private aid agencies are embedded. Most policy domains are characterised by a community of actors that, through their relationships and interactions, come to share the same goals, norms, values, beliefs and practices. Such a set of goals, norms, values, beliefs and practices – also referred to as an institutional logic - provides actors with a shared language while offering guidance with regard to which problems are to be addressed, which solutions get considered, what outcomes are to be achieved and what methods are used. Institutional logics tend to mature and solidify over time into specified roles, behaviours and interaction-patterns between organisations. As such, the concept of institutional logic not only offers insight into why private aid agencies attach so much importance to the principles of partnership, but also why they are unable to live up to these principles in practice. This study is the first to examine how North-South NGO relations are shaped by the shared goals, norms, values, beliefs and practices of the private aid channel. Chapter 5 asks the following question:

> What are the prevailing institutional logics within the private aid channel and how do they shape the principles and practice of the partnerships of ICCO and Christian Aid?

Chapter 5 demonstrates the existence of two competing institutional logics within the private aid channel, referred to in this dissertation as the ‘social transformation logic’
and the ‘managerial logic’. It shows that the principles of partnership must be understood as an inherent part of the social transformation logic. Within this logic, which emerged in the 1980s, the importance attached to partnership rests on two mutually reinforcing pillars. First, it is rooted in a set of beliefs pertaining to the conditions under which private aid agencies can best contribute to development processes. In the social transformation logic, development is viewed as an indigenous process aimed at changing power relations which must be locally owned to be effective and sustainable. It is thought that civil society is only able to challenge vested interests and contribute to development processes when it is able to operate autonomously from the state and from donors. Partnerships are seen as the translation of these premises into operational practices. Second, the social transformation logic recognises the intrinsic value of partnerships which is seen as an expression of private aid agencies’ own value-base. As such, partnerships are not only a means, but also an end in themselves.

In the late 1990s, a new institutional logic – referred to in this thesis as the managerial logic - entered the private aid channel. The rise of the managerial logic is directly related to mounting calls for tangible results from the general public and governmental donors on whom many private aid agencies depend for their funding. Central to the managerial logic is the demonstration of effectiveness and efficiency by means of quantitative performance indicators. The implicit assumption is that development can be planned and controlled as long as the right management tools are applied. The use of such tools is viewed as a neutral exercise aimed at predictability, reflecting a linear perspective on development. The managerial logic represents an instrumental perspective on North-South NGO relations. Contrary to the principles of partnership, it views such relations as businesslike transactions, enabling private aid agencies to achieve their policy goals. It neither attaches particular importance to local ownership nor to the autonomy of Southern NGOs. Furthermore, as the managerial logic only values that which can be quantified and has direct utility, it does not recognise the value of aspects like solidarity, equality, respect and mutuality. While trust is one of the key principles of partnership, the managerial logic emphasises the necessity of objective control mechanisms to prevent misuse of funds and ensure compliance with contractually agreed upon results.

To understand how the two logics shape the principles and practice of partnership, chapter 5 examines their effect on the partnerships of ICCO and CA. It shows that these two agencies try to combine both logics despite their conflicting nature. Although ICCO and CA continue to maintain the social transformation logic in terms of their goals, values and beliefs, their practices have come to reflect parts of the managerial logic to
satisfy the mounting pressure for tangible results. Amongst other things, both agencies have embraced the quantification of performance measures, increasingly work with professional partners that can deliver results and have introduced explicit and detailed results-agreements. The increasing pressure to demonstrate their ‘value for money’ presents ICCO and CA with a major problem because it means that their relational practices are increasingly at odds with their organisational values and beliefs. While the social transformation logic represents a push towards the principles of partnership, the managerial logic pulls them away from these principles. Due to these contrary forces, both organisations run the risk of ‘organisational schizophrenia’ due to the growing discrepancy between what they practice and what they preach, all the more so because the pressure for tangible results is more likely to increase in the near future.

Conclusions and policy recommendations

Chapter 6 connects and summarises the findings from the different chapters and explores their policy implications. It first concludes that the practice of North-South NGO relations must be understood as the outcome of the interaction between rules, project-officers and partners. The practice of the partnerships of ICCO, CA and AA is above all shaped by the rules that structure these relations. These rules, which are unilaterally set by the three agencies, offer the scope for action within the relationship and at the same time delimit it. In all countries where ICCO, CA and AA work, the agencies use the same set of rules. As such, their rules ensure uniform behaviour over longer time periods in different contexts. While the rules imply uniformity, they still allow a considerable degree of flexibility in their daily use. How this flexibility is used depends in the first place on individual project-officers, who have considerable autonomy in their day-to-day affairs. As rules are never completely free of ambiguous meaning, there are noticeable differences between individual project-officers in how they interpret and apply the rules. Partners can also make use of the flexibility of the rules. Whether they are able to do so depends above all on their capacity to conduct negotiations and the quality of their personal relationship with ‘their’ respective project-officer.

The second conclusion of this dissertation is that the inequality that characterises North-South NGO relations is institutionalised in the rules that govern these relations. Contrary to the standard notion in the literature that private aid agencies exercise their greater power directly by means of their control over funding, this thesis found that in day-to-day affairs such power is in fact exerted indirectly by means of the rules. While Southern NGOs have a range of strategies at their disposal to maintain or increase their
room to manoeuvre within the context of these rules, the rules themselves remain beyond their influence. Private aid agencies that decide to work with rules that have been established in line with the principles of partnerships, do so on a voluntary basis. Southern NGOs cannot do anything if the agencies establish new rules that represent a move away from these principles, as is currently the case under the managerial logic. There are no sanctions if private aid agencies deviate from their own principles. This also means that partners do not have any guarantees within the relationship beyond what is captured contractually. Partners of ICCO and CA, for example, do not have the right to receive flexible funding or capacity building support; it is given to them on a case-by-case basis. Similarly, although it is the intention of all three agencies to communicate well in advance that they want to stop funding, they can nevertheless decide at the very last moment that they are not going to renew a contract. This implies that their partnerships at their core remain fundamentally unequal. This is true even in the case of ICCO and CA, whose rules largely reflect the principles of partnership.

The third main conclusion of this thesis is that the inability of private aid agencies to live up to the principles of partnership is directly related to (the rise) of the managerial logic. Due to increasing calls for tangible results, private aid agencies are under enormous pressure to adopt managerialist ideas and practices. While presented as a neutral way to enhance effectiveness and efficiency, the managerial logic contains a set of goals, beliefs, values and practices that run counter to the principles of partnership in at least three ways. First, the managerial logic only values what can be quantified and has direct utility. This is at odds with the notion that partnerships, as an expression of international solidarity, also have an intrinsic value. Second, it implies an instrumental perspective on North-South NGO relations in which the purpose of the recipient organisation is to contribute to the policy objectives of the donor organisation. This viewpoint conflicts directly with the importance attached to local ownership and the autonomy of Southern NGOs. Third, the managerial logic implicitly assumes that people are primarily driven by a desire to maximise personal advantage and perceives objective surveillance mechanisms as key to preventing abuse. This perspective clashes directly with the idea that trust should be the starting-point of North-South NGO relations. In sum, the managerial logic implies utility rather than solidarity, control instead of autonomy and distrust rather than trust.

The findings of this dissertation have important policy implications for the future of private development cooperation and private aid agencies in particular. First of all, they must clarify how they (want to) stand in relation to the goals, values, beliefs and practices of both the social transformation and managerial logic. More specifically, they need to
clarify which ones specific elements of both logics they consider appropriate and useful and which they do not. Organisations that fail to do so and simply continue to combine both logics in their entirety are likely to become increasingly schizophrenic in terms of what they think and do. Those private aid agencies that opt to base their future direction and identity on the social transformation logic must consider letting their partners co-decide on the rules that govern their partnerships. They should also be prepared to face the consequences of a diminished income as they are likely to have increasing difficulties in satisfying the growing demands for tangible results and value for money. While a future direction based on the managerial logic is initially attractive because it is likely to ensure continued access to (state) funding, it also implies reduced independence from governmental donors and the risk of becoming increasingly interchangeable with businesses. Whatever they decide to do, private aid agencies stand at a crossroads and the choices that they make will have key consequences for their future relevance and identity.
Samenvatting (Summary in Dutch)

Inleiding
Dit proefschrift onderzoekt de principes en de praktijk van ‘partnerschap’ tussen Niet-Gouvernementele Organisaties (NGO’s) uit geïndustrialiseerde landen (het ‘noorden’) en uit ontwikkelingslanden (het ‘zuiden’). De meeste noordelijke NGO’s actief in de ontwikkelingssamenwerking, ook wel particuliere ontwikkelingsorganisaties genoemd, werken samen met zuidelijke NGO’s om hun doelen te bereiken. In dergelijke relaties zorgen de particuliere ontwikkelingsorganisaties voor financiële en technische ondersteuning, terwijl zuidelijke organisaties verantwoordelijk zijn voor de uitvoering van ontwikkelingsprojecten. Er bestaat een lange traditie om deze relatie aan te duiden met de term partnerschap. Deze term weerspiegelt de wens om samen te werken op basis van principes als gelijkheid, vertrouwen, wederzijds respect en wederkerigheid. In meer operationele zin verwijst partnerschap naar een relationele benadering waarbij particuliere ontwikkelingsorganisaties de autonomie van hun partners respecteren en hen ondersteunen met flexibele financiering en capaciteitsversterking. De onderliggende gedachte hierbij is dat de autonomie van zuidelijke NGO’s cruciaal is om de effectiviteit en duurzaamheid van de ontwikkelingsinterventies te garanderen.

Partnerschap is een omstreden onderwerp in de internationale ontwikkelingssamenwerking. Sinds de jaren negentig van de vorige eeuw zijn particuliere ontwikkelingsorganisaties voortdurend bekritiseerd vanwege hun onvermogen om concreet invulling te geven aan de principes van partnerschap. Doordat er sprake is van een financieringsrelatie zouden partnerschappen onvermijdelijk resulteren in machtsongelijkheid. Hierdoor is het beeld ontstaan van relaties die ‘top-down’ zijn in plaats van ‘bottom-up’ en worden gekenmerkt door voorwaarden in plaats van lokaal eigenaarschap, controle in plaats van vertrouwen en afhankelijkheid in plaats van autonomie. In dit proefschrift wordt de tegenstelling tussen de principes en de praktijk van de noord-zuid NGO-relaties aangeduid als ‘de partnerschap paradox’.

De partnerschap paradox is een onderwerp dat directe consequenties heeft voor de legitimiteit van particuliere ontwikkelingsorganisaties. Doordat zij niet in staat zijn om te handelen volgens de principes van partnerschap kunnen er vraagtekens worden geplaatst bij de effectiviteit en duurzaamheid van de particuliere ontwikkelingssamenwerking. Verder stelt de partnerschap paradox de toegevoegde waarde van particuliere ontwikkelingsorganisaties in het internationale hulpsysteem ter discussie. Deze toegevoegde waarde is deels gebaseerd op de gedachte dat particuliere ontwikkelingsorganisaties, vanwege hun waardegedreven identiteit, beter dan andere spelers in
de ontwikkelingssamenwerking in staat zijn om ‘echte’ partnerschappen met zuidelijke NGO’s aan te gaan. Zonder deze toegevoegde waarde, zo stellen critici, zijn zij niet veel meer dan een doorgeefluik voor (overheids)financiering. De partnerschap paradox betekent tenslotte ook dat particuliere hulporganisaties niet in overeenstemming handelen met hun principes. Dit is problematisch aangezien zij hun geloofwaardigheid juist voor een groot deel aan deze principes ontlenen.

Dit proefschrift heeft tot doel om de partnerschap paradox te verklaren door (1) de discrepantie tussen de principes en de praktijk van partnerschap te verhelderen en (2) te achterhalen waarom particuliere hulporganisaties niet in staat zijn om aan deze principes te voldoen. Centraal in het onderzoek staat een vergelijkende analyse van de partnerschappen tussen drie gevestigde particuliere ontwikkelingsorganisaties - Christian Aid (CA), ICCO en Action Aid (AA) - en een selectie van hun lokale partners in India, Ghana en Nicaragua. Data voor deze studie werd verzameld in de periode van november 2007 tot en met september 2008 via een combinatie van diepte-interviews, een enquête en documentanalyse. De kern van het proefschrift bestaat uit vier empirische hoofdstukken waarin verschillende aspecten van de partnerschap paradox centraal staan. Samen verhelderen en verklaren deze hoofdstukken de kloof tussen de principes en praktijk van partnerschap, ieder vanuit een specifieke theoretische lens.

**Besluitvorming in partnerschappen**

Hoofdstuk 2 gaat in op de machtsongelijkheid die partnerschappen kenmerkt. In de context van beleidsprocessen wordt macht meestal onderzocht in termen van invloed op de besluitvorming. Hoewel uit de literatuur al langer bekend is dat relaties tussen noordelijke en zuidelijke NGO’s ongelijk zijn is dit de eerste studie die de besluitvorming in dergelijke relaties systematisch onderzoekt. Hoofdstuk 2 kijkt hierbij zowel naar de mate van invloed die partners hebben ten opzichte van particuliere hulporganisaties als naar de manier waarop besluiten worden genomen. Hierbij staat de volgende onderzoeksvraag centraal:

*In welke mate zijn de partners van ICCO, Christian Aid en Action Aid in staat om de besluitvorming binnen hun partnerschappen te beïnvloeden en wat verklaart hun relatieve invloed?*

Voor de beantwoording van deze vraag brengt hoofdstuk 2 allereerst de belangrijkste onderwerpen in de besluitvorming binnen partnerschappen in kaart. Deze onderwerpen gaan over zaken als financiering, projectontwerp en uitvoering, capaciteits-
Samenvatting (Summary in Dutch)

opbouw, verantwoording, monitoring, evaluatie en het beleid van ICCO, CA en AA. Het hoofdstuk laat zien dat de invloed van partners zeer verschilt per onderwerp. Op sommige terreinen hebben zij geen invloed terwijl ze op andere onderwerpen besluiten grotendeels zelfstandig nemen. Over het algemeen genomen hebben partners de minste invloed op het beleid van ICCO, CA en AA en de meeste invloed op zaken die gerelateerd zijn aan het ontwerpen en uitvoeren van projecten.

Hoofdstuk 2 laat zien dat de invloed van partners vooral wordt bepaald door de institutionele regels die de besluitvorming reguleren. ICCO, CA en AA kunnen deze besluitvormingsregels eenzijdig vaststellen doordat zij over de financiële middelen beschikken. Deze regels bepalen per onderwerp de mate waarin partners mogen participeren in het besluitvormingsproces. Drie niveaus van participatie werden vastgesteld die drie niveaus van invloed weerspiegelen. Bij het eerste participatieniveau zijn partners volledig buitengesloten van het besluitvormingsproces en hebben zij geen mogelijkheid om hun eigen voorkeuren op de besluitvormingsagenda te plaatsen. Bij het tweede participatieniveau krijgen partners weliswaar de mogelijkheid om zaken op de agenda te plaatsen, maar zijn het medewerkers van ICCO, CA en AA die de eindbeslissing nemen. Bij het derde niveau krijgen partners niet alleen de mogelijkheid om zaken op de agenda te plaatsen, maar ook om zelf eindbeslissingen te nemen. Tot slot is er een groep van onderwerpen waarbij de participatie van partners in de besluitvorming inconsistent is en verschilt van geval tot geval. Voor deze onderwerpen zijn er geen eenduidige besluitvormingsregels waardoor ICCO, CA en AA in staat zijn om per situatie te bepalen hoeveel invloed ze een partner willen geven.

Ondanks de uniformiteit van de besluitvormingsregels hebben sommige partners duidelijk meer invloed dan anderen. Dit hangt af van relatiebeheerders - die vanuit ICCO, CA en AA verantwoordelijk zijn voor het managen van partnerrelaties - en de capaciteit van partners. Relatiebeheerders zijn verantwoordelijk voor de interpretatie en de toepassing van de regels en moeten tegelijkertijd ook tegemoetkomen aan de behoeften en eisen van hun partners. Er zijn aanzienlijke verschillen tussen de bereidheid van individuele relatiebeheerders om beslissingsbevoegdheid over te dragen en de regels te ‘buigen’. Het is vooral de mate van vertrouwen in een partner dat van invloed is op de bereidheid van relatiebeheerders om de regels flexibel te interpreteren. Tegelijkertijd zijn partners niet louter overgeleverd aan regels en relatiebeheerders. Grote organisaties met meerdere financieringsbronnen, een sterke reputatie en veel kennis en expertise zijn aantrekkelijk voor donoren om te financieren. Hierdoor hebben zij een betere onderhandelingspositie dan organisaties die deze kenmerken niet hebben.
Het strategisch gedrag van zuidelijke NGO’s

Hoofdstuk 3 gaat nader in op de bevinding dat zuidelijke NGO’s niet machteloos zijn in hun relaties met hun donoren. Het hoofdstuk gaat hierbij vooral in op de strategieën die zuidelijke NGO’s hanteren om met de grotere macht van hun donoren om te gaan. Eerder onderzoek naar noord-zuid relaties in de particuliere ontwikkelingssamenwerking heeft vooral de benadrukt dat noordelijke NGO’s hun wil opleggen aan zuidelijke NGO’s. Hierdoor zijn zuidelijke NGO’s impliciet als machteloos afgeschilderd en zelfs als slachtoffer neergezet. Hoofdstuk 3 draagt bij aan een meer evenwichtig beeld van de machtsrelatie tussen noordelijke en zuidelijke NGO’s door inzichtelijk te maken welke strategieën zuidelijke NGO’s hanteren. Om de analyse zo compleet mogelijk te maken beperkt dit hoofdstuk zich in tegenstelling tot de andere drie empirische hoofdstukken niet tot de partnerschappen van ICCO, CA en AA. Hoofdstuk 3 stelt de volgende onderzoeksvraag:

Wat voor soort financieringsvoorwaarden ervaren zuidelijke NGO’s als ongewenst en wat voor soort strategische reacties gebruiken ze om met deze voorwaarden om te gaan?

De onderzoeksbevindingen laten zien dat aan voorwaarden verbonden aan financiering tal van ongewenste effecten kleven voor de autonomie van zuidelijke NGO’s en hun eigenaarschap over ontwikkelingsprojecten. Ten eerste ondermijnen nauw gedefinieerd programmatische kaders en rigide planningseisen de capaciteit van zuidelijke NGO’s om lokale prioriteiten na te streven, te reageren op onverwachte gebeurtenissen en consistent te blijven met hun oorspronkelijke missie. Ten tweede maakt de onwilligheid van veel donoren om administratieve kosten te financieren het lastig voor zuidelijke NGO’s om gekwalificeerd personeel aan te trekken en te behouden evenals te investeren in onderzoek, kennis en innovatie. Ten derde zorgen korte financieringsperioden en evenmalige contracten er voor dat zuidelijke NGO’s veel tijd en middelen kwijt zijn aan fondsenwerving terwijl het hun vermogen ondermijnt voor lange termijnplanning en het veilig stellen van de duurzaamheid van hun projecten.

Zuidelijke NGO’s zijn echter allerminst machteloos en hanteren verschillende strategieën om met dergelijke ongewenste financieringsvoorwaarden om te gaan. Het onderzoek identificeert vier hoofdstrategieën: portretteren, vermijden, beïnvloeden en bufferen. Portretteren verwijst naar een aantal tactieken dat erop gericht is zo gunstig mogelijk over te komen en de indruk te wekken dat men aan de voorwaarden heeft voldaan. Voorbeelden hiervan zijn het benadrukken van successen en afzwakken van mislukkingen of het enkel opstellen van een genderbeleid omdat het een positief
Signaal naar donoren uitzendt. Vermijden is een strategie waarbij zuidelijke NGO’s proberen te voorkomen dat ze in situaties terechtkomen waarin zij te maken krijgen met ongewenste financieringsvoorwaarden. Vermijdingstactieken zijn bijvoorbeeld selectief te werk gaan bij het zoeken van nieuwe donoren, het afslaan van financiering wanneer deze gepaard gaat met ongewenste voorwaarden of het beëindigen van een relatie wanneer nieuw geïntroduceerde eisen onwerkelijk blijken te zijn. Beïnvloeden gaat er over dat zuidelijke NGO’s hun donor zo ver krijgen dat problematische financieringsvoorwaarden worden aangepast. Dit doen zij onder andere door tijdens onderhandelingen in te spelen op het feit dat donoren afhankelijk zijn van succesvolle organisaties voor hun eigen resultaten of door gebruik te maken van hun persoonlijke relatie met relatiebeheerders. Bufferen verwijst naar tactieken gericht op het zoveel mogelijk minimaliseren van de negatieve effecten van financieringsvoorwaarden. Zo kunnen zuidelijke NGO’s bijvoorbeeld het geld dat ze verdienen met consultancyopdrachten of het verhuren van gebouwen gebruiken om die zaken te financieren die donoren niet bereid zijn om te betalen.

**De regels van partnerschappen**

Ondanks het feit dat zuidelijke NGO’s niet machteloos zijn in hun relatie met donoren, zijn zij niet in staat zijn om het institutionele beleid te beïnvloeden dat aan ongewenste financieringsvoorwaarden ten grondslag ligt. Dit onderstreept nogmaals het belang van de regels (zie hoofdstuk 2) om de praktijk van noord-zuid NGO-relaties te begrijpen. Hoofdstuk 4 gaat daarom nader in op de rol die de regels spelen in het vormgeven van deze praktijk. Conceptueel bouwt het voort op het idee dat samenwerkingsrelaties worden gestructureerd door formele en informele regels die bepalen wat wel en niet mag in de relatie. Naast de besluitvorming die reeds werd onderzocht in hoofdstuk 2, bepalen deze regels bijvoorbeeld ook welke soort resultaten er moeten worden bereikt, wat wederzijdse rollen en verantwoordelijkheden zijn, wie in aanmerking komt voor lidmaatschap of welke informatie er moet worden gedeeld. Dit is de eerste studie die het effect van deze regels op de (inter)actie binnen partnerschappen onderzoekt. Hoofdstuk 4 stelt de volgende vraag:

*Wat zijn de regels in de partnerschappen van ICCO, Christian Aid en Action Aid, wat verklart hun belangrijkste overeenkomsten en verschillen en wat is hun effect op de manoeuvreerruimte van partners?*
Samenvatting (Summary in Dutch)

Hoofdstuk 4 laat zien dat de regels van ICCO en CA veel meer conform de principes van partnerschap zijn opgesteld dan die van AA. Zo bieden de regels van de eerste twee organisaties veel ruimte aan partners om autonoom te opereren en geven ze meer mogelijkheden voor flexibele financiering en capaciteitsopbouw. Dit verschil kan worden herleid naar de verschillende waarden en filosofie van ICCO en CA. Voor hen is internationale solidariteit een belangrijke inspiratiebron en zij hechten dan ook veel waarde aan principes als gelijkheid en vertrouwen in hun partnerrelaties. In hun visie zijn partners het beste in staat om de belangen van gemarginaliseerde mensen te begrijpen en te behartigen. Hun eigen meerwaarde zien zij hierbij vooral in het bieden van de randvoorwaarden die hun partners in staat stellen om zelfstandig te werken. Hierbij is de aannamer dat interventies die gericht zijn op het aanpakken van de dieperliggende oorzaken van armoede verankerd dienen te zijn in de lokale context en gedragen dienen te worden door de lokale bevolking. Bovendien zien ICCO en CA een sterk maatschappelijk middenveld als de sleutel tot sociale verandering en beschouwen zij het versterken van de capaciteit van hun partners als een doel op zich.

AA heeft daarentegen de overtuiging dat zij het beste aan ontwikkelingsprocessen kan bijdragen door hier zelf nauw bij betrokken te zijn. Om die reden gaan de regels van AA uit van een actieve rol voor haar relatiebeheerders tijdens projectontwerp en uitvoering. Het resultaat hiervan is dat partners van AA minder autonomie hebben dan hun collega’s van ICCO en CA. Terwijl ICCO en CA een sterk maatschappelijk middenveld essentieel achten voor sociale verandering, gelooft AA dat verandering teweeg wordt gebracht door gemarginaliseerde mensen en hun gemeenschappen. Om deze reden zijn de regels van AA er op gericht om de administratieve kosten van partners zo laag mogelijk te houden en bieden zij minder mogelijkheden voor flexibele financiering en capaciteitsopbouw. Cruciaal is bovendien dat AA, in overeenstemming met haar gemeenschapsgeoriënteerde veranderingsfilosofie, haar partners verplicht om verantwoording af te leggen aan de lokale gemeenschappen met wie ze werken. Dit is een groot verschil met ICCO en CA die, conform hun nadruk op de autonomie van partners, van mening zijn dat het niet aan hen is om zich hiermee te bemoeien.

**Institutionele logica**
Organisaties worden niet alleen beïnvloed door andere organisaties, maar ook door de institutionele omgeving waarin ze zijn ingebed. Hoofdstuk 5 onderzoekt hoe de principes en de praktijk van partnerschap worden gevormd door de institutionele omgeving waarvan particuliere ontwikkelingsorganisaties onderdeel zijn. De meeste beleidsdomeinen kenmerken zich door een gemeenschap van actoren die door hun
onderlinge relaties en communicatie gelijksoortige doelen, normen, waarden, overtuigingen en praktijken delen. Een dergelijke set van gedeelde doelstellingen, normen, waarden, overtuigingen en praktijken - ook wel aangeduid met de term ‘institutionele logica’ - biedt actoren een gemeenschappelijke taal en handvatten met betrekking tot de problemen die aangepakt moeten worden, de oplossingen die in aanmerking komen, de resultaten die dienen te worden gerealiseerd en de methoden die geschikt worden geacht. Door de tijd heen bestendigen institutionele logica zich in min of meer vaststaande rollen en interactiepatronen tussen organisaties. Als zodanig biedt dit concept aanknopingspunten om te begrijpen waarom particuliere hulporganisaties zoveel belang hechten aan de principes van partnerschap en waarom zij er in de praktijk niet in slagen om aan deze principes te voldoen. Dit is de eerste studie die onderzoekt wat het effect is van de gedeelde doelen, normen, waarden, overtuigingen en praktijken van het particuliere hulpkanaal op relaties tussen noordelijke en zuidelijke NGO’s. Hoofdstuk 5 stelt de volgende vraag:

Welke institutionele logica zijn van kracht in het particuliere hulpkanaal en welke invloed hebben zij op de principes en de praktijk van de partnerschappen van ICCO en Christian Aid?

Hoofdstuk 5 laat zien dat er in het particuliere kanaal twee concurrerende institutionele logica naast elkaar bestaan die in dit proefschrift de ‘sociale transformatie logica’ en de ‘management logica’ worden genoemd. De principes van partnerschap dienen te worden gezien als een inherent onderdeel van de sociale transformatie logica. Binnen deze logica, die ontstond in de jaren tachtig van de vorige eeuw, rust het belang dat wordt gehecht aan partnerschap op twee elkaar versterkende pijlers. Ten eerste is partnerschap onderdeel van een set van overtuigingen met betrekking tot de voorwaarden waaronder particuliere ontwikkelingsorganisaties het beste kunnen bijdragen aan ontwikkelingsprocessen. In de sociale transformatie logica wordt ontwikkeling gezien als een endogene proces gericht op het veranderen van machtsverhoudingen dat alleen effectief en duurzaam kan zijn als het lokaal verankerd is. Hierbij is de gedachte dat het maatschappelijk middenveld alleen in staat is om gevestigde belangen ter discussie te stellen en bij te dragen aan ontwikkelingsprocessen als zij autonoom kan opereren ten opzichte van de staat en donoren. Partnerschappen zijn de operationele ‘vertaling’ van deze aannames naar de praktijk. Ten tweede benadrukt de sociale transformatie logica ook de intrinsieke waarde van partnerschap dat wordt gezien als een uiting van de kernwaarden van particuliere ontwikkelingsorga-
nisaties. Als zodanig zijn partnerschappen niet alleen een middel maar ook een doel op zich.

Tegen het einde van de jaren negentig van de vorige eeuw deed een nieuwe institutionele logica, in dit proefschrift de management logica genoemd, haar intrede in het particuliere hulpkanaal. De opkomst van de management logica is direct gerelateerd aan de groeiende roep om tastbare resultaten vanuit de overheid, van wie veel particuliere ontwikkelingsorganisaties financieel afhankelijk zijn, en het publiek. Centraal in deze logica staat het aantonen van effectiviteit en efficiëntie door middel van kwantitatieve indicatoren. Een impliciete veronderstelling hierbij is dat ontwikkeling kan worden gepland en gecontroleerd, zolang de juiste managementinstrumenten worden toegepast. Het gebruik van dergelijke instrumenten wordt gezien als een neutrale exercitie en weerspiegelt een lineair perspectief op ontwikkeling. De management logica gaat uit van een instrumentele visie op de noord-zuid NGO-relaties. In tegenstelling tot de sociale transformatie logica worden dergelijke relaties gezien als zakelijke transacties die particuliere ontwikkelingsorganisaties in staat stellen om hun beleidsdoelen te bereiken. De management logica hecht weinig waarde aan lokaal eigenaarschap, noch aan de autonomie van zuidelijke NGO’s. Omdat alleen die aspecten die gekwantificeerd kunnen worden en direct nut hebben worden (h)erkend, zijn aspecten als solidariteit, gelijkheid, respect en wederkerigheid irrelevant in deze logica. Terwijl vertrouwen een van de belangrijkste principes is van partnerschap, benadrukt de management logica de noodzaak van objectieve controle mechanismen om misbruik te voorkomen en de naleving van contractueel overeengekomen resultaten te garanderen.

Om te begrijpen welke invloed de twee logica hebben op de principes en de praktijk van partnerschap, onderzoekt hoofdstuk 5 hun effect op de partnerschappen van ICCO en CA. Dit hoofdstuk laat zien dat deze organisaties de beide logica proberen te combineren, ondanks hun tegenstrijdige aard. Hoewel ICCO en CA blijven vasthouden aan de sociale transformatie logica in termen van hun doelen, waarden en overtuigingen, is hun werkwijze door de druk om met concrete resultaten te komen steeds meer in het teken komen te staan van de management logica. Zo zijn beide organisaties gaan werken met kwantitatieve prestatie-indicatoren, kiezen ze steeds meer voor ‘professionele’ partner organisaties die resultaten kunnen leveren en zijn ze gaan werken met expliciete en gedetailleerde resultaatafspraken. Door de toenemende druk om ‘waar voor hun geld’ te bieden zitten ICCO en CA echter met een groot probleem. Immers, hun werkwijze komt steeds meer op gespannen voet komt te staan met hun waarden en overtuigingen. Terwijl de sociale transformatie logica hen richting de
principes van partnerschap duwt, trekt de management logica hen juist van deze principes weg. Als gevolg van deze tegenovergestelde krachten lopen beide organisaties het risico ‘schizofreen’ te worden.

Conclusies en beleidsimplicaties
Hoofdstuk 6 vat de bevindingen van de verschillende hoofdstukken samen, brengt ze met elkaar in verband en verkent hun beleidsimplicaties. Zij concludeert allereerst dat de praktijk van de relatie tussen noordelijke en zuidelijke NGO’s begrepen dient te worden als het resultaat van de interactie tussen regels, relatiebeheerders en partners. De praktijk van de partnerschappen van ICCO, CA en AA wordt vooral gevormd door de regels die deze relaties structuren. Deze regels, die eenzijdig zijn opgesteld door de drie hulporganisaties, bepalen de handelingsruimte in de relatie. In alle landen waar ICCO, CA en AA actief zijn, maken zij gebruik van dezelfde set van regels. Als zodanig zorgen de regels voor uniformiteit over langere tijdspérioden in verschillende contexten. Hoewel de regels dus uniform gedrag impliceren, laten zij nog altijd een bepaalde mate van flexibiliteit toe in hun dagelijks gebruik. Hoe deze flexibiliteit wordt gebruikt hangt allereerst af van individuele relatiebeheerders. Omdat regels altijd op meerdere manieren geïnterpreteerd kunnen worden en relatiebeheerders aanzienlijke autonomie hebben in hun dagelijkse werk, zijn er substantiële verschillen tussen de interpretatie en toepassing van de regels door individuele relatiebeheerders. Ook partners kunnen gebruik maken van de flexibiliteit van de regels. De mate waarin ze hiertoe in staat zijn wordt vooral bepaald door hun onderhandelingscapaciteit en de kwaliteit van de persoonlijke relatie met ‘hun’ relatiebeheerder.

De tweede hoofdconclusie van dit proefschrift is dat de ongelijkheid die kenmerkend is voor de relatie tussen noordelijke en zuidelijke NGO’s is geïnstitutionaliseerd in de regels. Terwijl de literatuur vooral de rol van financiering benadrukt in de ongelijke relatie, laat dit onderzoek zien dat in de dagelijkse praktijk macht vooral indirect wordt uitgeoefend via de regels. Ondanks het feit dat zuidelijke NGO’s verschillende strategieën tot hun beschikking hebben om hun manoeuvreerruimte te handhaven of te vergroten, kunnen ze op deze regels zelf geen invloed uitoefenen. Particuliere hulporganisaties die besluiten om te werken met regels die zijn opgesteld op basis van de principes van partnerschap doen dat op vrijwillige basis. Zuidelijke NGO’s kunnen niks doen als particuliere ontwikkelingsorganisaties besluiten nieuwe regels in te stellen; zelfs niet indien die haaks staan op de principes van partnerschap zoals het geval is met regels die zijn gebaseerd op de management logica. Er zijn dan ook geen sancties indien particuliere hulporganisaties besluiten af te wijken van hun
eigen principes. Dit betekent ook dat partners buiten de contractueel vastgelegde zaken geen garanties hebben. Zo hebben partners van ICCO en CA niet het recht om flexibele financiering of steun voor capaciteitsopbouw te ontvangen, het wordt ze op individuele basis gegeven. Ook al hebben ICCO, CA en AA de intentie om ruim van te voren aan te geven dat ze willen stoppen met financiering, toch kunnen ze altijd op het laatste moment besluiten om een contract niet te verlengen. Dit houdt in dat hun partnerschappen in de kern fundamenteel ongelijk blijven, zelfs in het geval van ICCO en CA waar de regels grotendeels in overeenstemming zijn met principes van partnerschap.

De derde hoofdconclusie van dit proefschrift is dat het onvermogen van particuliere ontwikkelingsorganisaties om te voldoen aan de principes van partnerschap direct gerelateerd is aan (de opkomst) van de management logica. Door de toenemende roep om tastbare resultaten staan particuliere hulporganisaties onder enorme druk om deze logica te omarmen. Terwijl de management logica wordt gepresenteerd als een neutrale manier om de effectiviteit en efficiëntie te vergroten, bestaat zij uit een set van doelen, overtuigingen, waarden en praktijken die op tenminste drie niveaus tegenstrijdig is met de principes van partnerschap. Ten eerste waardeert de management logica enkel die zaken die kunnen worden gekwantificeerd en direct nut hebben. Dit staat op gespannen voet met het idee dat partnerschappen, als een uitdrukking van internationale solidariteit, ook een intrinsieke waarde hebben. Ten tweede impliceert de management logica een instrumentele kijk op noord-zuid NGO-relaties, waarbij het doel van de ontvangende organisatie is om bij te dragen aan de beleidsoostellingen van haar donor. Dit standpunt is strijdig met het belang dat binnen partnerschap wordt gehecht aan lokaal eigenaarschap en de autonomie van zuidelijke NGO’s. Ten derde gaat de management logica er impliciet van uit dat mensen primair handelen uit eigenbelang en benadrukt het de noodzaak van objectieve controle mechanismen om misbruik te voorkomen. Dit perspectief botst direct met het idee dat vertrouwen het uitgangspunt moet vormen van relaties tussen noordelijke en zuidelijke NGO’s. Kortom, de management logica staat voor nut in plaats van de solidariteit, controle in plaats van autonomie en wantrouwen in plaats van vertrouwen.

De bevindingen van dit proefschrift hebben belangrijke beleidsimplicaties voor de toekomst van de particuliere ontwikkelingssamenwerking en noordelijke ontwikkelingsorganisaties in het bijzonder. In de eerste plaats moeten zij voor zichzelf helder krijgen hoe zij zich (willen) verhouden tot de tegenstrijdige doelen, waarden, overtuigingen en praktijken van de sociale transformatie en management logica. Hierbij zullen zij voor zichzelf duidelijk moeten krijgen welke specifieke elementen van beide logica’s zij nuttig vinden en verenigbaar achten met hun ontwikkelingsfilosofie.
Organisaties die een dergelijke reflectie uit de weg gaan en doorgaan met het combineren van beide logica's zullen steeds meer schizofrene ‘trekjes’ krijgen. Die organisaties die kiezen voor een toekomst en identiteit gebaseerd op de sociale transformatie logica zullen moeten overwegen om hun partners mee te laten besluiten over de regels waarop hun partnerschappen zijn gebaseerd. Daarnaast moeten zij bereid zijn om de gevolgen van een verminderd inkomen te accepteren aangezien verwacht mag worden dat ze steeds meer moeite zullen hebben om aan de groeiende vraag naar concrete resultaten te voldoen. Een toekomst op basis van de management logica is in eerste instantie aantrekkelijk vanwege de mogelijkheden die dit biedt om toegang te (blijven) krijgen tot (overheids)financiering. Zij impliceert echter ook verminderde autonomie ten opzichte van de overheid en het risico om steeds meer inwisselbaar te worden met andere ontwikkelingsactoren. Kortom, particuliere hulporganisaties bevinden zich op een kruispunt en de keuzes die zij gaan maken zullen belangrijke gevolgen hebben voor hun toekomstige relevantie en identiteit.
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About the author

Willem Elbers (1977) studied Development Studies at the Radboud University in Nijmegen (Netherlands) with a specialisation in international development cooperation. He obtained an MA degree at Radboud University in 2002 based on research in Ghana into the involvement of Dutch business in development cooperation. After his graduation, he started working as a teacher and researcher at the department of Cultural Anthropology and Development Studies (CAOS) at the Radboud University. There he taught courses on (international) development cooperation, (under) development in Sub-Saharan Africa and research methodology. In addition, he supervised bachelor and master student theses. In 2004 he did a research on NGO-business partnerships in Bangladesh and Ethiopia. In 2005 and 2006 he was part of an evaluation study of the Dutch support to civil society organisations under the Thematic Co-Financing Programme (TMF) for which he conducted research in Ghana. He started his PhD in September 2006 as part of the ‘IS Academy on Civil Society’, a joint research programme between CAOS and the Dutch Ministry of Foreign Affairs, which resulted in this thesis. He currently works at CAOS as researcher and co-coordinator for the Advanced Master in Development Studies (AMID).
Partnerships between Northern and Southern Non-Governmental Organisations (NGOs) are a key part of international development cooperation. Whilst NGOs are drawn to partnership as an expression of solidarity that goes beyond financial aid, the notion has been the subject of intense debate. Due to the funding involved, partnerships are said to be highly unequal. ‘The Partnership Paradox’ examines the gap between the principles associated with the ideal of partnership and the practice of North-South NGO relations. It is based on extensive research involving the partnerships of three Northern NGOs - ICCO, Christian Aid and Action Aid - and their local partners in India, Ghana and Nicaragua.

The study shows that the practice of North-South NGO relations is shaped by the interaction between individual project-officers that work for Northern NGOs, the strategic behaviour of partner-organisations and most importantly, the institutional rules structuring these relations. Contrary to the focus in the literature on funding as the mechanism through which Northern NGOs exercise their power within partnerships, this research demonstrates that in day-to-day affairs power is in fact exercised indirectly by means of the rules governing the relation. It also shows that the increasing pressure on Northern NGOs to produce results forces them to adopt practices that represent a move away from the ideal of partnership. As such, Northern NGOs cannot avoid making tough choices that will have major consequences for the future of partnership and their own identity.