

Trust or control? Private development cooperation at the crossroads

Willem Elbers, Luuk Knippenberg and Lau Schulpen

Accepted by Public Administration and Development (13-9-13)

Summary

Development NGOs are increasingly adopting so-called managerial working methods. This paper explores the changing belief systems and practices of Northern development NGOs as well as the strains arising from this pressure. We draw upon a literature review and case studies of two Northern development NGOs and their Southern counterparts in Ghana, India and Nicaragua. Our findings show that managerialist ideas and practices clash with a number of values, views and goals that 'traditionally' have been widely shared in the private aid channel. To ensure that their actual practices remain consistent with their belief systems, Northern development NGOs cannot avoid making tough choices that will have key consequences for their future relevance and identity.

KEY WORDS - NGOs, managerialism, partnership, civil society, social transformation

1. Introduction

In the 1980s, a set of values and visions about development emerged that came to be widely shared and adopted by a group of Northern development NGOs (NNGOs) (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; Lewis and Kanji, 2009: 56-60; Korten, 1990). Within this so-called social transformation approach, NNGOs saw themselves as catalysts for social change in the South and emphasized the importance of empowerment strategies and the need to support organizations linked to democratic movements (Biekart, 1999: 72). Values such as trust, equality and respect emerged as the defining principles of the relationships between NNGOs and their Southern allies (Fowler, 2000; Lister, 2000; Johnson and Wilson, 2006). There was broad political and societal consensus about the necessity of (private) development co-operation and the need for international solidarity.

In the 1990s a new approach to development entered the private aid channel that revolved around a particular kind of management based on 'scientific' principles, technical problem solving and the application of rational tools for planning and measurement (Lewis, 2008: 46). 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 and Cooke, 2008; Mowles, 2007: 409; Dichter, 1999). Effectiveness, efficiency and transparency became key principles, 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).

Both internal NGO-dynamics and changing back donor requirements account for the rise of managerialism within the private aid channel. Regarding the first, since the 1990s there has been a wide felt need among NNGOs to professionalize and pay more attention to the management aspects of their work (Edwards and Fowler, 2002). While many NNGOs began as small and informal organizations, they became increasingly aware of the need to scale up their activities and become involved in more complex, multi-dimensional programmes (Lewis, 2008: 46-48). As NNGOs grew in scale and ambition, many started to recognize the limitations of their effectiveness and begun to examine management and organization issues in more depth. During the 1990s many NNGOs began implementing systems for strategic planning and formalize their internal systems and procedures (Lewis, 2006).

The rise of managerialism in the private aid channel can also be traced to the increasingly demanding funding requirements of back donors. In the late 1980s OECD-governments started to become more critical regarding the effectiveness and efficiency of those receiving subsidies (Hood, 1991; Osborne and Gabler, 1992). One consequence has been that governmental donors, who traditionally have been a major source of funding for NNGOs, increasingly adopted managerialist-inspired funding conditions in the areas of reporting and accountability (Mawdsley et al., 2005; Wallace et al., 2006; Roberts et al, 2005). For NNGOs adopting managerialist working practices more and more became a precondition to qualify for governmental funding (Lewis 2008: 49).

While the adoption of these managerialist practices can be seen 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 local 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 NNGOs are losing their ability to challenge 'mainstream' models, practices and ideas as they lose their independence due to the increasingly demanding criteria of their back donors (Bebbington et al, 2008: 4; Mitlin et al., 2007; Jones et al., 2011: 637). Overall, there is a growing concern that NNGOs are abandoning their original mission, vision and values (Hailey, 2000; Dichter, 1999: 54; Lewis and Kanji, 2009).

In this paper we explore the consequences of the adoption of managerialist principles by NNGOs for their original belief systems and practices. We do this by examining (1) the extent in which the belief systems and practices of NNGOs are changing due to the diffusion of managerialist ideas and methods; (2) 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. The paper makes two contributions to the literature. First, it constructs ideal-types of two competing institutional logics (sets of widely shared values, beliefs and practices) that currently co-exist in the private aid channel. Based on the ideal-types, it identifies six areas where tensions between managerialism and the social transformation approach may manifest themselves. Second, the paper demonstrates that Northern development NGOs run the risk of organizational splits as they are trying to combine conflicting values, beliefs and practices. Overall, we want to contribute to the ongoing academic discussion on development managerialism (Dar and Cooke, 2008; McCourt and Gulrajani, 2010), and uphold a critical mirror to NNGOs wishing to reflect upon their current practices.

Our analysis is based upon a literature review and case studies of two NNGOs. We start our article 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 the social transformation approach and the managerialist approach to development.
2. We apply these ideal types to the current belief systems and practices of Christian Aid (CA) and Interchurch Organization for Development Cooperation (ICCO).
3. We explore the compatibility of the beliefs and practices of the two approaches.

The paper concludes with a summary of the main findings and their implications for NNGOs' (added) value, future relevance and identity.

2. Institutional logics and institutional change

In this paper we draw upon the concept of '*institutional logic*'. This concept, derived from organizational institutionalism, starts from the premise that organizations are influenced by their institutional context, i.e. by collectively shared belief systems that define and delimit what is appropriate and meaningful behavior (Meyer and Rowan, 1977; DiMaggio and Powell, 1983; Scott, 2008). The 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 and Hinings, 2005, 2009), university education (Townley, 1997) and federal and state administration (Meyer and Hammerschmid, 2006). In our paper, we use the concept to examine how ideas and practices in the private aid channel are changing due to adoption of a managerial logic.

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

Organizational actors draw upon institutional logics for guidance, meaning and legitimacy. They offer the implicit rules which provide organizations with collective identities, motives and vocabularies, instill 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 and within organizations (Townley, 1997: 263; Thornton and 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 organizations. These are often reinforced by regulatory processes involving governmental agencies and professional bodies, which normatively and/or coercively press conformity upon organizations that are part of a specific field (Greenwood et al., 2002: 59). The practices of development NGOs, for example, are profoundly shaped (and standardized) by the (funding) requirements of 'official' donors (Wallace, 1997; 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 (Reay and Hinings, 2005: 354). Most institutional researchers 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 organizational 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 (Reay and Hinings, 2009: 631). From this perspective, our paper analyzes the shift in the private aid channel from the social transformation logic to the managerial logic, and questions whether and to what extent the social transformation logic is compatible with the managerial logic.

3. Social transformation and managerial: comparing institutional logics

In order to identify the main differences between the social transformation and managerial logics, we construct ideal types based on a review of the literature. Note that these ideal-types only intend to cover those NNGOs that have traditionally placed emphasis on addressing the root causes of poverty and social transformation. It is also important to recognize that ideal types are analytical constructs meaning they do not exist in pure form in reality. Finally, despite the many similarities that exist between the beliefs and practices of NNGOs, there are obviously also differences. To a certain extent, however, reducing complexity and diversity for the sake of pinpointing key characteristics is inherent to constructing ideal types.

Table 1 below summarizes and contrasts the key characteristics of the two logics, focusing on the relationship between NNGOs and their Southern counterparts.

Table 1. Comparison of institutional logics

		Social transformation	Managerial
Beliefs	Development	<ul style="list-style-type: none"> development is a political process to change unequal power relations development requires local ownership by marginalized groups 	<ul style="list-style-type: none"> development can be planned and measured development requires the 'right' set of management tools
	Civil society	<ul style="list-style-type: none"> civil society needs to be autonomous to contribute to development civil society's value is expressed in terms of its ability to act against vested interests 	<ul style="list-style-type: none"> civil society is complementary to the state and donors in achieving development civil society's value is expressed in terms of value for money
	Relationships	<ul style="list-style-type: none"> relations with local organizations are both a means and an end value-based relations ensure local organizational autonomy 	<ul style="list-style-type: none"> relations with local organizations are a means to an end formalized relations prevent misuse of funds and ensure compliance with agreed upon results
Practices	Roles	<ul style="list-style-type: none"> NNGOs provide financial, institutional and moral support local organizations take the lead in development work 	<ul style="list-style-type: none"> NNGOs ensure value for money local organizations implement contractually specified activities and comply with accountability requirements
	Selection	<ul style="list-style-type: none"> local organizations have to be locally rooted to qualify for a relationship 	<ul style="list-style-type: none"> local organizations have to be strong and professional to qualify for funding
	Governance	<ul style="list-style-type: none"> NNGOs refrain from interfering in development interventions and internal affairs 	<ul style="list-style-type: none"> NNGOs control how funds are spend and what accountability requirements are met

Source: own analysis based on a literature review

Social transformation

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 favoring certain people at the expense of others. Development is viewed as a process in which these structures are transformed and marginalized people are empowered (Lewis and Kanji, 2009). Emphasizing power 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 thought to be an indigenous process. More specifically, it is believed that empowerment of marginalized groups can only be ensured when it is locally owned and driven (Pearce, 1993: 226; Wallace et al., 2006: 31).

An autonomous civil society is considered essential for development. Civil society is viewed as a realm, outside those of government and business, where social movements and change-oriented NGOs can speak up for marginalized people (Bebbington et al, 2008: 3; Howell and Pearce 2002: 36). The social transformation logic is generally skeptical about the willingness and ability of official development aid to leverage deep changes in formal structures that perpetuate marginalization (Fisher, 1997: 445; Mitlin et al, 2007: 1704). Civil society's strength is seen to lie primarily in its in ability to get issues on the agenda or address problems that governments and official donors are unwilling or unable to tackle. Autonomy from the state and donors is therefore perceived as a pre-condition for civil society to make a meaningful contribution to development (Howell and Pearce 2002: 37).

The consolidation of equal relationships between NNGOs and their Southern counterparts is seen as both a means and an end in itself. Such relations are essential for achieving locally owned change (Clinton, 1991: 62; Brehm, 2004). Starting from the idea that local organizations have the best understanding of their own reality, interventions aimed at 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 and Schulpen, 2010). These values reflect an ideological aspiration of international solidarity and a shared desire to challenge injustice (Fowler, 1998; Murphy, 2000: 343-346). The value-base underlying partnership is also thought to be essential for ensuring the autonomy of local partners. In particular, trust is seen as a pre-condition for enabling local organizations to determine their own strategic direction (Mawdsley et al., 2002).

In terms of the actual practices, the social transformation logic discerns specific roles for NNGOs and their Southern counterparts. Given the emphasis on local ownership and organizational autonomy, local organizations play the lead role in designing activities and doing the actual work 'on the ground'. Northern aid agencies' involvement is primarily defined in terms of facilitation meaning that they should refrain from direct involvement in implementation (Lewis, 1998). Their role is to provide financial, institutional and moral support enabling their partner organizations to take the lead (Eade, 2007). This requires long-term relations, flexible funding arrangements, capacity building and (financial) solidarity in times of difficulty (Brehm, 2004: 24; Hoksbergen, 2005: 18).

NNGOs are supposed to work with 'native' local organizations as they are locally rooted and enjoy greater legitimacy than those set up by overseas donors (Hoksbergen, 2005: 22-23). To ensure local partners' autonomy, Northern aid agencies have to minimize 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 is mutual (Hudock, 1999).

Managerialism

The managerialist logic emphasizes the importance of realizing predictable and measurable results. Much importance is attached to the use of management tools in areas such as financial management, risk assessment, planning, monitoring and evaluation (Roberts et al., 2005: 1853). Especially the measurement of results is perceived to be crucial for enabling better tracking of implementation, enhanced accountability and tangible results (Bornstein, 2006).

A central idea is that it is possible to establish causal relations between interventions and results, reflecting a linear perspective of development processes. Overall, the use of management tools is implicitly considered to be a rational exercise based on scientific principles (Mowles, 2010: 152; Gulrajani, 2011: 206).

Civil society fulfils an important function in the managerial logic by complementing the development efforts of the state and donors. The underlying idea is that state, market and civil society are working towards a common global cause (Murphy, 2008: 18; Mowles, 2010: 156; White, 1999: 308). The managerial logic holds an instrumental perspective regarding civil society. Local civil society organizations are seen as flexible agents of service delivery (Lewis and Kanji, 2009: 43) who can contribute to donor objectives. As such, their value is seen to lie in the results they achieve, or put differently, in the value for money they offer (Thomas, 2008: 101).

Relationships with local organizations are seen as fee-for-service exchanges that serve to achieve tangible development outcomes. They enable NNGOs to access crucial resources such as technical expertise, on-the-ground contacts and an understanding of the local context. The managerial logic emphasizes the risks that

too much faith in the goodwill or capabilities of the partner can bring about, as local organizations may engage in erroneous or fraudulent activities. Strict accountability measures are therefore considered necessary to ensure transparency and the proper use of funds. Contracts clarify and formalize agreements, provide clear prescriptions of conduct and outline sanctions and incentives to ensure compliance (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 organizations are viewed as implementers of contractually specified activities. They are hired for a definite time period to implement a specific activity and realize 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). NNGOs' main role is to purchase services from local organizations, ensure value for money and monitor performance.

To qualify for funding, local organizations need to be professional and capable. Such organizations are able to work with management tools, have a formal mission and vision, keep standardized accounts, comply with national (tax) laws and undergo periodical independent financial audits (Roberts et al., 2005: 1851-52). Selection of local organizations takes place through competitive tendering in which applications are ranked by score (Wallace et al., 2006: 62-65). As local organizations are hired to implement contractually specified activities, key decisions are made by NNGOs. This means that the activities that qualify for funding, reporting requirements and methodologies used for outcome measurement are specified in detail in advance (Leach, 1995).

4. Institutional logics in practice: the cases of Christian Aid and ICCO

This section empirically examines the degree to which NNGOs have shifted from the social transformation to the managerial logic on the basis of the key characteristics outlined in table 1. Our analysis is based on two cases: Christian Aid (CA) and Interchurch Organization for Development Cooperation (ICCO).

Since the early 1980s, both NNGOs are well known in their countries of origin (UK and Netherlands) for being what Donini et al. (2008) refer to as 'solidarists': NNGOs that place a strong emphasis on addressing the root causes of poverty and social transformation. Their longstanding solidarist tradition improves the likelihood of them sticking to their 'original' principles. CA and ICCO thus represent excellent cases for assessing the degree to which the managerial logic has penetrated the private aid channel. The focus of the analysis is on those beliefs, values and practices that are widely shared within both agencies.

The research for this paper was primarily conducted during a period of eight months in 2008 by means of semi-structured interviews and the gathering of relevant documents (e.g. policy papers, strategic plans and contracts). A limited number of (follow up) interviews were also conducted in 2009 and 2010. To establish whether the adoption of managerialist ideas and practices differed between countries, fieldwork was conducted in Ghana and India and Nicaragua. In total 64 interviews were conducted consisting of 25 ICCO-partners, 22 CA partners, nine staff of ICCO and eight of CA. 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.

During the interviews various aspects of the relation were explored including the importance attached to (the principles of) partnership, the development of the relationship over time, funding requirements, power asymmetries and accountability. To ensure as much as possible that respondents did not withhold (sensitive) information, they were granted confidentiality. Agency-staff who demonstrated particular interest in the study during the interviews were invited to provide feedback on a draft of the paper. While the paper benefited from the feedback through numerous (small) improvements, it did not result in any major changes.

Belief systems

At the level of belief system, interviews with agency-staff and a review of the agencies' policy papers revealed the language and thinking of the social transformation logic while the managerialist logic appeared to be absent. In explaining the mission and vision of their organization, staff of ICCO and CA both emphasized that the world is characterized by enormous wealth existing alongside extreme poverty. Therefore "much of today's poverty is ultimately the result of exclusion and inequality" (Interview PO CA, 5 May 2008). This line of reasoning is clearly reflected in the agencies' policy papers. CA's strategic policy paper, for example, concludes 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, 2005: 4). Similarly, ICCO emphasizes that "poverty is not a natural phenomenon, but the result of human intervention" (ICCO, 2007: 17). In emphasizing the political nature of poverty, both agencies view development as a struggle "to challenge and change the systems which favor the rich and powerful over the poor and marginalized" (CA, 2008: 1) towards "a change in economic, social and political power structures" (ICCO, 2007: 17). This however, is only possible when "the people themselves own the development process, they have to be in the driver's seat" (interview PO ICCO, 1 July 2008).

In line with the social transformation logic, (staff of) ICCO and CA identify a strong and autonomous civil society to be at the core of social transformation. Civil society organizations are perceived as being in the best position to understand and represent the interests of marginalized people. Moreover, the agencies view society organizations has having to play a major role in addressing the structures that keep people poor (CA, 2004b: 1; ICCO, 2007: 16). To ensure that change is locally owned "civil society must operate autonomously. [...] To us Southern civil society actors are not instruments for aid delivery but actors in their own right" (interview PO CA, 5 May, 2008). Given the importance attached to a strong and autonomous civil society, both agencies regard the capacity building of partners integral to their approach (ICCO, 2003: 5; CA, 2004b: 1).

Finally, the agencies' views on their relationships with local counterparts appeared to resonate with the social transformation logic. Both agencies view partnership as central to their development approach (ICCO, 2003: 5; CA 2004: 3). "Without partners we cannot do our work. [...] But I would also say that partnership is part of our identity as an organization" (interview PO ICCO, 1 February, 2008). ICCO and CA identify key values such as solidarity, equality, mutual respect, mutuality and trust as the foundation of their partnerships (ICCO, 2003: 5; CA, 2004a: 5). They also realize that equal relations are far from easy to achieve in practice: "Because we control the money, power imbalances are inevitable. Therefore we try to take steps to

offset these imbalances as much as possible” (interview PO CA, 5 May, 2008). Consequently, both agencies aim to be flexible in terms of the operational space they give to partners while allowing them to determine their own strategic direction (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 they [partners] have to make it happen” (Interview PO CA, 5 May 2008). The importance attached to building a strong and autonomous civil society authorizes POs to 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 actual 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 demanding. There has been a shift from input-based towards outcome-based reporting and there is increasing emphasis on ‘correct’ handling of funds. 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 accountability requirements has become a more explicit role for partners. Agency-staff pointed out, however, that it is becoming more difficult to uphold wholly trust-based relations: “[for ICCO] trust has always been the starting-point of the relation. The new [accountability] systems that we have in place, however, increasingly force us to act like policemen” (Interview PO ICCO, 17 February 2008).

Looking at criteria for selecting partners, table 2 shows both logics to be present, although managerialism manifests itself more prominently. The social transformation logic is reflected in the agencies preference for organizations that are locally rooted. Their main criteria to select a ‘suitable’ partner, however, are becoming programmatic focus and organizational capacity, although, for ICCO and CA the use of programmatic criteria – a manifestation of the managerialist emphasis on targeting - still remains 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.

Table 2. Main partner selection criteria of ICCO and CA

Criteria	Indicators
Local rootedness	<ul style="list-style-type: none"> • Membership networks • Grassroots linkages • participation beneficiaries • Downwards accountability
Identity	<ul style="list-style-type: none"> • Shared (Christian) value-base • Compatible mission and vision
Programmatic focus	<ul style="list-style-type: none"> • Theme • Strategy • Target group • Geographical focus
Track record	<ul style="list-style-type: none"> • Past achievements • Past relations with stakeholders • Publications
Financial position and management	<ul style="list-style-type: none"> • Income, liquidity and solvency • Accounting system • Independent audits
Planning, monitoring and evaluation system	<ul style="list-style-type: none"> • Strategic planning • Use M&E indicators • Learning
Organizational structure and governance	<ul style="list-style-type: none"> • Compliance with national laws • Formal mission and vision • Board presence and composition

Source: policy documents and interviews with POs

Both agencies recently made their procedures for assessing organizational capacity more systematic and refined. To assess the capacity of potential partners they use several (largely similar) criteria that relate to track record, financial position and management, planning, monitoring and evaluation systems and organizational structure and governance. These criteria reflects prevailing ‘professional’ standards in such fields as finances (standard account keeping, independent financial auditing), planning (use of logical framework, strategic plans) and governance (formalized operating principles and procedures). POs explained that the increasing emphasis on assessing organizational capacity should be seen in the context of the growing emphasis on tangible results and accountability, with the agencies themselves being judged on their ‘business plan’ and passing on requirements to their partners. One consequence of “this focus on delivering results” has been “that ICCO has come to favor large and established organizations” (interview PO ICCO, 7-1-08).

In the area of governance, the social transformation logic still 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 emphasized the flexibility of both agencies. In principle, support for organizational strengthening follows 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 have to work with pre-defined formats.³ 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, however, elements of the managerial logic also become visible in the agencies’ governance practices. Project-contracts have become legally valid in recent years while containing explicit results-agreements including clear

targets and milestones to be achieved during different phases of the project-cycle. This offers the agencies better possibilities to mitigate risks in the case of serious mismanagement of funds and limits their liability in case of fraud. POs of both agencies did mention, however, that the focus on control had a limiting effect on their partners' autonomy. This was confirmed by partner-organizations: "As the contracts have become stricter, more has come to depend on the willingness of your project-officer whether you are allowed to deviate from the original project-plan when unexpected things happen (interview partner CA, 24 September 2008).

5. The feasibility of hybridization

Our analysis of ICCO and CA shows that the agencies' belief systems still primarily follow the social transformation logic, while their associated practices have or tend to become hybrids, containing elements of the social transformation logic and managerial logics, with a growing accent on the latter. It also demonstrates that in their day-to-day practices, tensions manifest themselves between the two logics. Because the agencies thus far have only embraced some of the practices associated with the managerial logic, however, they are not yet forced to fundamentally reevaluate the alignment between their belief systems and their actual practices. As both logics depart from different goals, values and assumptions, this raises the question whether a hybridization of the two logics is a sustainable option for NNGOs in the long run. Below we further explore the tensions that emerged from our empirical analysis on the basis of a literature review. Using table 1 as our 'analytical lens', we identify at least six areas where tensions between the two logics may possibly manifest themselves.⁴

First, the managerial emphasis on neutral policy and technical problem solving and management solutions appears to be conflicting with the view that development (cooperation) is inherently political. The latter implies that development is inseparably related to questions related to politics and justice. In contrast, the policy based, managerial logic, takes existing patterns of political and economic development as a given (Bebbington, 2005: 940; Hickey and Bracking, 2005: 855; Edwards, 2010). Critics would argue that this means that 'questions about rights, entitlements, how one should live and who should decide, [are transformed] into technical questions of efficiency and sustainability' (Mosse, 2005: 12). In a similar sense, the managerial logic takes the ideology on which the official aid system is based as a given and implicitly views donors and their partners as neutral actors engaged in a joint effort to combat poverty. Proponents of the social transformation logic would argue that this view incorrectly presents donors and their partners as though they have no political agenda, interests and ideological preferences of their own (Howell and Pearce, 2001: 83; White, 1999; Bebbington, 2008).

Second, the emphasis on predictability, control and measurement seems to clash with the nature of 'political' interventions. Rational planning tools start from the idea that a desired end-state can be planned in a value free manner following logical and causal steps (Mowles et al., 2008: 806). This kind of planning and the thinking underlying it, however, is less suitable to handle interventions that are discordant by nature, unpredictable, process-oriented or difficult to measure. These characteristics, however, are typically those of interventions seeking to change power relations (Bornstein, 2006: 53; Wallace et al., 2006). Consequently, the requirements of rational planning tools run the risk of confining the scope of interventions to precisely those that are apolitical (Bebbington, 2005; Pickard, 2007; Biggs and Neame, 1995: 37).

Third, the view that civil society should serve the goals of official aid clashes with the idea that autonomy is central to its significance. While the managerial logic views civil society organizations as instruments for achieving donor objectives, the social transformation logic perceives civil society's strength to lie in its ability to engage issues their states or official donors do not address. From the perspective of the latter, having to work within the policy frameworks of the state and official donors is therefore seen as eroding the potential of civil society to contribute to development, on its own terms (Mitlin et al., 2007: 1709; Smillie, 1995: 179).

Fourth, the viewpoint that North-South relations are fee-for-service exchanges is in contrast with the idea that these relations are more than a means towards a predefined goal; they are an end in themselves, with an intrinsic value. To proponents of the social transformation logic, the value-base underlying partnership matters. NNGOs are seen to be part of a global movement of citizens seeking to support marginalized people in their fight against injustice (Murphy, 2000: 344-345). North-South relations reflect the notion of international solidarity: the idea that people from different parts of the world cooperate for a common cause, against a shared problem, and not as such for a common solution, if only because of the context-specificity and political nature of most solutions. From this perspective, development cooperation is neither about fighting somebody else's battle nor about pity or charity. This contrasts with the managerial logic which does not recognize the intrinsic value of North-South relations, and is inclined to favour policy based solutions. In particular, the emphasis on reciprocal trust it is difficult to reconcile with the managerial emphasis on strict accountability measures.

Fifth, the emphasis on control seems to conflict with the idea that local ownership is a precondition for effective and sustainable development (cooperation). Under the managerial logic donor-objectives form the starting-point of policy interventions (Leach, 1995). For proponents of the social transformation logic, this approach contradicts the idea that development is an indigenous process, and therefore by definition not neutral or prescriptive, that development cooperation is about enabling people to find their own solutions, on their own conditions, to their own problems (Howell and Pearce 2001: 37).

Sixth, the preference for strong and capable organizations, defined in terms of being able to meet managerialist requirements, may clash with the importance attached to organizations' local rootedness. 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 education (Markowitz & Tice 2002: 950; Roberts et al., 2005: 1850). Precisely those organisations that tend to have strong grassroots connections, such as smaller NGO's, grassroots organisations and social movements, may lack the capacity to satisfy these requirements (Gideon, 1998: 317). In other words, the managerial logic runs the risk of excluding those type of organizations which are preferred in the social transformation logic.

6. Conclusion

This paper examined (1) how the belief systems and practices of NNGOs are changing due to the diffusion of managerialist ideas and methods; (2) whether the managerialist approach is compatible with a number of widely shared goals, values and assumptions related to social transformation and. 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 development (cooperation), the role and value of civil society, the governance of North-South relations and the required characteristics of local organizations. Our analysis of Christian Aid and ICCO demonstrated that these agencies have so far remained largely 'loyal' to their original belief systems, although political and societal pressures have forced them to adopt a range of managerial practices. As the agencies had only adopted some of the practices associated with the managerial logic, they were not yet forced to fundamentally reevaluate 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 reevaluation at some point seems inevitable. We identify at least six areas in which the goals, values and assumptions of the social transformation logic potentially clash with those of the managerial logic. This makes it questionable whether the two logics can truly be merged, into a combined approach that strengthens or even upholds the best aspects of both approaches. This is a relevant finding because the pressures for accountability, i.e. the core aspects of managerial logic, are more likely to prevail and increase, than to decrease in the near future. NNGOs run the risk of organizational schizophrenia, the more so if they continue to embrace managerialist practices while sticking to their 'solidarist' beliefs.

These findings do not mean that NNGOs should bluntly reject managerialist practices. They do imply, however, that NNGOs should be aware of the difficulties and sometimes even impossibilities that emerge from combining the managerialist and social transformation logics in their daily practice. The main challenge for NNGOs is to clarify where they stand in terms of the kind of change they want to bring about and their underlying values and assumptions. Only by making their own position explicit it becomes possible for them to see where they (want to) stand in relation to the goals, values and assumption of the social transformation and managerial logics.

The contradictions between both logics will increasingly challenge and even force NNGOs to make choices about their future direction. We envision two basic future directions, although variants are certainly possible. One direction represents a future in which NNGOs increasingly come to rely on managerialist principles and the maximization of effectiveness and efficiency to generate value. While it is an attractive direction in the sense that it allows NNGOs 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 NNGOs *raison d'être* is based on civic values and a more politicized 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 organizational autonomy, distinctiveness from governmental and business actors and (added) value that goes beyond effectiveness and efficiency. Whatever they decide to do, NNGOs stand at a crossroads and the choices they make will have key consequences for their future relevance and identity.

References

- Ashman, D. 2001. Strengthening North-South partnerships for sustainable development. *Nonprofit and Voluntary Sector Quarterly*. **30**: 74-98.
- Bebbington, A. 2005. Donor-NGO relations and representations of livelihood in nongovernmental aid chains. *World Development*. **33**: 937-50.
- Bebbington, A., Hickey, S., and Mitlin, D. 2008. Introduction: Can NGOs make a difference? The challenge of development alternatives. Chapter 1 in A. Bebbington., S. Hickey, and D. Mitlin Eds., *Can NGOs make a difference? The challenge of development alternatives*. Routledge: London.
- Biggs, S., and Neame, A. 1995. Negotiating room for manoeuvre: Reflections concerning NGO autonomy and accountability within the new policy agenda. In M. Edwards and D. Hulme Eds., *Beyond the magic bullet: NGO performance and accountability in the post-Cold War world*. Earthscan: London.
- Biekart, K. 1999. *The politics of civil society building: European private aid agencies and democratic transitions in Central America*. International Books: Utrecht.
- Bornstein, L. 2003. Management standards and development practice in the South African aid chain. *Public Administration and Development*. **233**: 393-404.
- Bornstein, L. 2006. Systems of accountability, webs of deceit? Monitoring and evaluation in South African NGOs. *Development*. **49**: 52–61.
- Brehm, V. M. 2004. Autonomy or dependence? North-South NGO partnerships. INTRAC.
- Brinkerhoff, J. M. 2002. *Partnership for international development: Rhetoric or results?* Lynne Rienner Publishers: Boulder, CO.
- Clinton, R. L. 1991. Grassroots development where no grass grows: Small-scale development efforts on the Peruvian coast. *Studies in Comparative International Development*. **262**: 59-76.
- Christian Aid 2004a. *Partnership: the cornerstone of Christian Aid's international work*. Christian Aid: London.
- Christian Aid 2004b. *Christian Aid Policy on Supporting Partners' Capacity Development*. Christian Aid: London.
- Christian Aid 2005. *Turning hope into action. A vision of a world free from poverty. 2005-2010 Strategic framework*. Christian Aid: London.
- Christian Aid 2008a. *Christian Aid's annual report 2006/07. The difference we make*. Christian Aid: London.
- Christian Aid 2008b. *Christian Aid Project/Programme Agreements*. Christian Aid: London.
- Dar, S., and Cooke, B. Eds.. 2008. *The new development management: Critiquing the dual modernization*. Zed Books: London.
- Dichter, T. 1999. Globalisation and its effects on NGOs: Efflorescence or a blurring of roles and relevance? *Nonprofit and Voluntary Sector Quarterly*. **28**: 38-86.
- DiMaggio, P. J., and Powell, W. W. 1983. The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American Journal of Sociology*. **48**: 147–60.

- Donini, A., Fast, L., Hansen, G., Harris, S., Minear, L., Mowjee, T., and Wilder, A. 2008. *The State of the Humanitarian Enterprise*. Feinstein International Center, Tufts University.
- Eade, D. 2007. Capacity building: who builds whose capacity? *Development in Practice*. **17**: 630 – 639.
- Ebrahim, A. 2003. Accountability in practice: Mechanisms for NGOs. *World Development*. **31**: 813-829.
- Edwards, M., and Fowler, A. 2002. Introduction: changing challenges for NGDO Management. In M. Edwards and A. Fowler Eds., *The Earthscan reader on NGO management*. Earthscan: London.
- Edwards, M., and Hulme, D. 1996. Too close for comfort: NGOs, the state and donors. *World Development*. **24**: 961-74.
- Edwards, M. 2008. Have NGOs 'made a difference?': From Manchester to Birmingham with an elephant in the room. In A. Bebbington., S. Hickey, and D. Mitlin Eds., *Can NGOs make a difference? The challenge of development alternatives*. Routledge: London.
- Edwards, M. 2004. *Civil Society*. Polity Press: Cambridge.
- Edwards, M. 2011. *Small change. Why business will not save the world*. Berrett-Koehler Publishers: San Francisco.
- Elbers, W., and Schulpen, L. 2010. Decision-making in partnerships for development: Explaining the influence of local partners. *Nonprofit and Voluntary Sector Quarterly*. **20**, 1-18.
- Eyben, R. 2005. Donors' learning difficulties. *IDS Bulletin*. **36**: 98-107.
- Feldman S. 2003. Paradoxes of Institutionalisation: the depoliticisation of Bangladeshi NGOs. *Development in Practice*. **13**: 5-26.
- Ferguson, J. 1994. *The antipolitics machine: "Development" Depoliticization and bureaucratic power in Lesotho*. University of Minnesota Press: Minneapolis.
- Fernando, U. 2007. *Uneasy encounters: relationships between Dutch donors and Sri Lankan NGOs*. AMIDSt: Amsterdam.
- Fisher W. F. 1997. Doing good? The politics and anti-politics of NGO practices. *Annual Review of Anthropology*. **26**: 439-64.
- Fowler, A. 1998. Authentic NGDO partnership in the new policy agenda for international aid: Dead end or light ahead? *Development and Change*. **29**. 137-159.
- Fowler, A. 2000a. Beyond partnership: Getting real about NGO relationships in the aid system. *IDS Bulletin*, **31**: 1-13.
- Fowler, A. 2000b. Partnerships: Negotiating relationships, a resource for non governmental development organisations. *INTRAC Occasional Papers*, 32. *INTRAC: Oxford*.
- Friedland, R., and Alford R. R. 1991. Bringing society back in: Symbols, practices, and institutional contradictions. In W. W. Powell and P. J. DiMaggio Eds., *The new institutionalism in organizational analysis*. University of Chicago Press: Chicago, IL.
- Giddens, A. 1984. *The constitution of society: An outline of the theory of structuration*. Polity Press: Cambridge.
- Gideon, J. 1998. The politics of social service provision through NGOs: A study of Latin America. *Bulletin of Latin American Research*. **17**: 303-21.
- Greenwood, R., and Hinings, C. R. 1996. Understanding radical

- organizational change: bringing together the old and the new institutionalism. *Academy of Management Review*. **21**: 1022–1054.
- Greenwood, R., Suddaby, R., and Hinings, C. R. 2002. Theorizing change: The role of professional associations in the transformation of institutionalized fields. *Academy of Management Journal*. **45**: 58–80.
- Gulrajani, N. 2011. Transcending the great foreign aid debate: managerialism, radicalism and the search for aid effectiveness. *Third World quarterly*. **32**: 199-216.
- Hailey, J. 2000. Indicators of identity: NGOs and the strategic imperative of assessing core values. *Development in Practice*. **10**: 402–407.
- Hanafi, S., Tabar, L. 2003 The Intifada and the aid industry: The impact of the new liberal agenda on the Palestinian NGOs. *Comparative Studies of South Asia, Africa, and the Middle East*. **23**: 205–214.
- Harrison, T. 2007. The role of contestation in NGO partnerships. *Journal of International Development*. **19**: 389-400
- Hashemi, S. 1995. NGO accountability in Bangladesh: Beneficiaries, donors and the state. In M. Edwards, and D. Hulme, Eds., *NGOs: Performance and accountability: Beyond the magic bullet*. Earthscan: London.
- Hately, L., and Malhotra, K. 1997. *Between rhetoric and reality: Essays on partnership in development*. The North South Institute: Ottawa.
- Heinrich, V. Ed.. 2007. *CIVICUS Global survey of the state of civil society: Volume 1: Country profiles*. Kumarian Press: Bloomfield, CT.
- Hickey, S., and Bracking, S. 2005. Exploring the politics of poverty reduction: From representation to a politics of justice? *World Development*. **33**: 851–865.
- Hinton, R., and Groves, L. 2004. The complexity of inclusive aid. In L. Groves and R. Hinton Eds., *Inclusive aid: Changing power and relationships in international development* London: Earthscan.
- Hoffman, A. J. 1999. Institutional evolution and change: Environmentalism and the U.S. chemical industry. *Academy of Management Journal*. **42**: 351–371.
- Hoksbergen, R. 2005. Building civil society through partnership: Lessons from a case study of the Christian Reformed World Relief Committee. *Development in Practice*. **15**: 16-27.
- Hood C. 1991. A public management for all seasons? *Public Administration*. **69**: 3-19.
- Howell, J., and Pearce, J. 2000. Civil society: Technical instrument or force of change? In D. Lewis and T. Wallace Eds., *New roles and relevance: Development NGOs and the challenge of change*. Kumarian Press: Hartford, CT.
- Hudock, A. 1999. *NGOs and civil society: Democracy by proxy?* Cambridge: Polity Press.
- Hudson, A. 2000. Making the connection: Legitimacy claims, legitimacy chains and northern NGOs' international advocacy. In D. Lewis, D. and T. Wallace, Eds., *New roles and relevance: Development NGOs and the challenge of change*. Kumarian Press: Hartford, CT.
- Hwang, H., and Powell, W. 2009. The rationalization of charity: The influences of professionalism in the nonprofit sector. *Administrative Science Quarterly*. **54**: 268-298.

- ICCO 2003. *ICCO Partnership Policy*. ICCO: Utrecht.
- ICCO 2005. *Van Zending tot Missie, ICCO in vogelvlucht [from to missionary to mission, ICCO in a nutshell]*. ICCO: Utrecht.
- ICCO 2007. *Operational Plan 2007-2010*. ICCO: Utrecht.
- ICCO 2008a. *Annual Report ICCO Alliance 2007*. ICCO: Utrecht.
- ICCO 2008b. *General contract and conditions*. ICCO: Utrecht.
- Jad, I. 2007. NGOs: Between buzzwords and social movements, *Development in Practice*. **17**: 622-629.
- Johnson, H, and Wilson, G. 2006. North–South/South–North partnerships: Closing the mutuality gap. *Public Administration and Development*. **26**: 71–80.
- Jones JP, Roberts S, and Frohling O. 2011. Managerialism in Motion: Lessons from Oaxaca, Mexico. *Journal of Latin American Studies*. **43**: 633-662.
- Kaldor, M. 2003. *Global civil society: An answer to war*. Polity Press: Cambridge.
- Kitchener, M. 2002. Mobilizing the logic of managerialism in professional fields: The case of academic health centers mergers. *Organization Studies*. **233**: 391–420.
- Korten, D. 1990. *Getting to the 21st century: Voluntary action and the global agenda*. Kumarian Press: Hartford, CT.
- Leach, M. 1995. Models of inter-organizational collaboration in development. *Institutional Development*, **21**: 27-49.
- Lewis, D. 1998. Development NGOs and the challenge of partnership: Changing relations between North and South. *Social Policy and Administration*, **32**: 501-512.
- Lewis, D. 2006. *The management of nongovernmental organizations 2nd Ed.*. Routledge: London.
- Lewis, D. 2008. Nongovernmentalism and the Reorganization of Public Action. In B. Cooke, and S. Dar Eds., *The New Development Management: Critiquing the Dual Modernization*. Zed Books: London.
- Lewis, D., and Kanji, N. 2009. *Non-governmental organizations and development*. London: Routledge.
- Lister, S. 2000. Power in partnership? An analysis of an NGO's relationship with its partners. *Journal of International Development*. **12**: 227–239.
- MacDonald, L. 1994. Globalizing civil society: Interpreting NGOs in Central America. *Millennium: Journal of International Studies*. **23**: 267–285.
- Malhotra, K. 2000. NGOs without aid: Beyond the global soup kitchen. *Third World Quarterly*. **21**: 655–668.
- Manji, F., and O'Coill, C. 2002. The missionary position: NGOs and development in Africa. *International Affairs*. **78**: 567–583.
- Markowitz L., and Tice, W. T. 2002. Paradoxes of professionalization: Parallel dilemmas in women's organizations in the Americas. *Gender and Society*. **16**: 941-958.
- Mawdsley, E., Townsend, J. Porter, G., and Oakley, P. 2002. *Knowledge, power and development agenda. NGOs in North and South*. INTRAC: Oxford.
- Mawdsley, E., Townsend, J. G., and Porter, G. 2005. Trust,

- accountability, and face-to-face interaction in North–South NGO relations. *Development in Practice*. **15**: 77-82.
- McCourt, W., Gulrajani N. 2010. Introduction: The future of development management. *Public Administration and Development*. **30**: 81-90
- Meyer, J. W., and Rowan, B. B. 1977. Institutionalized organizations: Formal structure as myth and ceremony. *American Journal of Sociology*. **83**: 340–363.
- Meyer, R., and Hammerschmid, G. 2006. Changing institutional logics and executive identities: A managerial challenge to public administration in Austria. *American Behavioral Scientist*. **497**: 1000-1014.
- Mitlin, D., Hickey, S., and Bebbington, A. 2007. Reclaiming development? NGOs and the challenge of alternatives. *World Development*, **35**: 1699-1720.
- Mosse, D. 2005. Global Governance and the Ethnography of International Aid. In D. Mosse and D. Lewis Eds., *The aid effect. Giving and governing in international development*. Pluto Press: London.
- Mowles, C. 2007. Promises of transformation: Just how different are development INGOs. *Journal of International Development*. **19**: 401–412.
- Mowles, C., Stacey R. and Griffin, D. 2008. What contribution can insights from the complexity sciences make to the theory and practice of development management? *Journal of International Development Volume*. **20**: 804-820.
- Murphy, J. 2008. The Rise of the Global Managers. In B. Cooke and S. Dar, Eds. *The New Development Management: Critiquing the Dual Modernization*. Zed Books: London.
- Nelson, P. 2006. The varied and conditional integration of NGOs into the aid system: NGOs and the World Bank. *Journal of International Development*. **18**: 701-713.
- O'Neill, O. 2002. *A question of trust. The BBC Reith Lectures 2002*. Cambridge University Press: Cambridge.
- Osborne, D., and Gaebler, T. 1992. *Reinventing Government*. Addison-Wesley: Reading, MA.
- Pearce J. 1993. NGOs and social change: agents or facilitators? *Development in Practice*. **33**: 222-27.
- Picard, M. 2007. Reflections on relationships: the nature of partnership according to five NGOs in southern Mexico. *Development in Practice*. **17**: 575-581.
- Pollit, C. 1993. *Managerialism and Public Services*. Blackwell: Oxford.
- Power, M. 1997. *The audit society: Rituals of verification*. Oxford University Press: Oxford.
- Reay, T., and Hinings, C. R. 2009. Managing the rivalry of competing institutional logics. *Organization Studies*. **30**: 629-652.
- Reay, T., and Hinings, C. R. 2005. The recomposition of an organizational field: Health care in Alberta. *Organization Studies*. **26**: 349–382.
- Roberts, S. M., Jones, J. P. and Fröhling, O. 2005. NGOs and the globalization of managerialism. *World Development*. **33**: 1845-1864.

- Rooy, A. van, 1998, *Civil society and the aid Industry*. Earthscan: London.
- Scott, W. R. 2008. *Institutions and Organizations* 3rd Ed. Sage: Thousand Oaks, CA.
- Scott, W. R., Ruef, M., Mendel, P. J. and Caronna, C. A. 2000. *Institutional change and healthcare organizations.*: University of Chicago: Chicago, IL.
- Smillie, I. 1995. *The Alms Bazaar: Altruism Under Fire - Non-Profit Organisations and International Development*. Intermediate Technology Publications: London.
- Srinivas N. 2010. The phenomenon of NGOs: a lateral reading from Latin America. *Critical perspectives on international business*. **6**: 116-127.
- Thomas, A. 2008. Whatever happened to reciprocity? Implications of donor emphasis on 'voice' and 'impact' as rationales for working with NGOs in development. In A. Bebbington, S. Hickey, and D. C. Mitlin Eds., *Can NGOs make a difference? The challenge of development alternatives*. Zed Books: London.
- Thornton, P., and Ocasio, W. 2008. Institutional logics. In R. Greenwood, C. Oliver, K. Sahlin- Andersson, and R. Suddaby Eds., *Handbook of organizational institutionalism*. Sage: Thousand Oaks, CA.
- Townley, B. 1997. The institutional logic of performance appraisal. *Organization Studies*. **18**: 261–85.
- Townsend, J., Porter, G.. and Mawdsley, E. 2004. Creating spaces of resistance: development NGOs and their clients in Ghana, India and Mexico. *Antipode*. **36**: 871–889.
- Tvedt, T. 1998. *Angels of mercy or development diplomats: NGOs and foreign aid*. AfricaWorld Press/James Currey: Oxford.
- Tvedt, T. 2002. Development NGOs: Actors in a global civil society or in a new international social system? *Voluntas*, **13**: 363-375.
- Tvedt, T. 2006. The International aid system and the non-governmental organizations: A new research agenda. *Journal of International Development*. **18**: 677–690.
- Wallace, T. 1997. New development agendas: Changes in UK NGO policies and procedures. *Review of African Political Economy*. **71**: 35–55.
- Wallace, T., Bornstein, L., and Chapman, J. 2006. *The aid chain: Coercion and commitment in development NGOs*. Intermediate Technology Development Group: Rugby, Warwickshire.
- White, S. 1999. NGOs, civil society and the state in Bangladesh: The politics of representing the poor. *Development and Change*. **30**: 307–326.

¹ Northern development NGOs are independent 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.

² 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).

³ POs emphasized 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.

⁴ As our analysis takes place at the level of logics, the contradictions we find are in the first instance theoretical. However, the more profoundly NNGOs embrace the managerial logic while continuing to stick to the goals, values and assumptions of the social transformation logic, the more these analytical contradictions are likely to become actual contradictions.