

## SYMPOSIUM: NEW ROLES AND CHALLENGES FOR NGOS

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### Accountability, Strategy, and International Nongovernmental Organizations

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*Increased prominence and greater influence expose international nongovernmental development and environment organizations (INGOs) to increased demands for accountability from a wide variety of stakeholders, including donors, beneficiaries, staffs, and partners. This article focuses on developing the concept of INGO accountability, first as an abstract concept and then as a strategic idea with very different implications for different INGO strategies. The authors examine implications for INGOs that emphasize service delivery, capacity building, and policy influence. They propose that INGOs committed to service delivery may owe more accountability to donors and service regulators, capacity-building INGOs may be particularly obligated to clients whose capacities are being enhanced, and policy influence INGOs may be especially accountable to political constituencies and influence targets. INGOs that are expanding their activities to include new initiatives may need to reorganize their accountability systems to implement their strategies effectively.*

International nongovernmental organizations (INGOs) have emerged as important actors in two important, interconnected realms. First, at the national level, INGOs have taken on significant roles in promoting the social, economic, and political development of the particular countries in which they are operating through their enlarged efforts to provide disaster relief, deliver ongoing social services, build local capacities for self-help, promote self-governance, and enhance the political and policy influence of marginalized populations (see Clark, 1991; Edwards & Hulme, 1996; Fisher, 1993). Second, at the international level, INGOs have been increasingly important in creating a kind of international civil society, animating informal but powerful normative regimes, and influencing the practices and policies of international institutions (see Boli & Thomas, 1999; Florini, 2000; Fox & Brown, 1998; Khagram, Riker, & Sikkink, 2002).

Increased prominence and greater influence expose INGOs to closer scrutiny and sharper demands for accountability. Donors demand that INGOs be accountable for the integrity, efficiency, and impacts of programs that they have funded. Beneficiaries press INGOs to live up to their rhetoric about fostering locally determined development rather than imposing their own priorities. Staffs expect INGOs to live up to the high purposes that drew their commitments to the enterprises. Partners that INGOs have recruited in their efforts to achieve their national and international goals (such as other NGOs, community-based organizations, government agencies, and businesses) expect INGOs to live up to promises they made in forging their partnerships. Even those who are the targets of INGOs demand a kind of accountability from the INGOs; they want to know to whom the INGOs are accountable and for whom the INGOs speak so they can gauge the force and legitimacy of the claims the INGOs are making against them. In short, many different stakeholders call INGOs to account for their activities (e.g., Edwards, 2000).

The purpose of this article is to develop an understanding of the concept of accountability for INGOs, particularly INGOs focused on development and environmental protection. We begin by presenting the idea of accountability as an abstract ideal. In this conception, accountability is morally good, and it is unambiguous to whom and for what INGOs should be accountable. In the second part of the article, we present accountability not as an abstract, fixed moral ideal but instead as a strategic idea to be formulated and acted on by INGOs with the goal of better understanding and achieving their strategic purposes. In this conception, accountability is both morally good and practically useful. And, instead of there being one right answer of how best to structure accountability, one gives a contingent answer. Accountability choices should advance the strategy an INGO is trying to execute. In the third part of the article, we show how three different activities or strategies embraced by INGOs (service delivery, capacity building, and political advocacy) require quite different structures of accountability. This suggests that as INGOs change the balance of their efforts across these different strategies, they must change their conceptions of accountability as well as the ways they make themselves accountable to their various stakeholders.

### THE CONCEPT OF ACCOUNTABILITY

An actor (whether an individual or an organization) is "accountable" when that actor recognizes that it has made a promise to do something and accepted a moral and legal responsibility to do its best to fulfill that promise (Cutt & Murray, 2000; Fox & Brown, 1998; Najam, 1996; Paul, 1992).

Because accountability involves a promise to perform, it is natural to think of accountability as a relationship between two or more actors. In principle, however, an actor could feel and act as though it were accountable to an abstract purpose. An INGO, for example, could reasonably say that it is

The idea that accountability defines a relationship is important not only morally and theoretically but also as a practical reality because the existence of the relationship is important in enforcing the agreement. Commitments made to others create agents with stakes in enforcement. Of course, other attributes of the relationship, such as power differences or degrees of trust, affect the extent to which the parties can hold one another accountable. In some cases, organizations can ignore their accountability to stakeholders who are not powerful enough to enforce their claims. But, they do so at their moral, if not practical, peril.

Much of the literature on accountability assumes two parties in a morally and legally asymmetrical relationship. "Principal-agent" theory, for example, focuses on how principals can hold agents accountable for performance that meets the principals' expectations (Fama & Jensen, 1983; Zeckhauser & Pratt, 1985). The normative assumption in this formulation is that it is the principal's purposes that ought to be faithfully realized through the partnership, not the agent's. Defections from the principal's purposes in the interests of the agent threaten both the moral integrity and efficiency of the relationship. The practical challenge is to devise incentive schemes (structures of accountability) that reliably motivate the agent to advance the principal's interests.

For INGOs, however, we believe that it is misleading to assess accountability in principal-agent terms, for essentially two reasons.

First, INGOs are accountable to many different stakeholders, and it is not entirely clear as a moral or legal matter which of these stakeholders should be celebrated as the principal whose preferences ought to be given the greatest weight. When one is thinking in principal-agent terms, it is natural to think that an INGO's principal is made up of the donors whose contributions sustain the INGO's activities. After all, these donors are the ones who are providing the funds. As a moral and legal matter, they ought to be able to dictate what purposes the INGO should achieve. They are the ones who look most like the owners of a firm that provides the implicit model for the principal-agent model.

Yet, it is not at all clear that INGOs should as a moral or legal matter give their donors this pride of place. Organizations such as Oxfam, Amnesty International, and CARE do make promises to donors. They say when they solicit funds that they will advance particular purposes and aid particular beneficiaries. In making such promises, these INGOs make themselves accountable to their donors for the efficient and effective pursuit of these aims. This poses no problems as long as the donors' purposes are closely aligned with the organizations' missions and their obligations to particular clients.

But, in the course of executing their missions, organizations such as Oxfam, Amnesty International, and CARE make additional promises. These INGOs promise that clients and beneficiaries can count on their assistance. They promise partners that they will live up to specific agreements they made in joint projects. In making these promises, INGOs become accountable to many stakeholders other than donors. Again, when all these different accountabilities

are aligned, there is no difficulty. However, when the expectations and claims of the different stakeholders are not aligned, an INGO must decide which of the claims should be honored.

In an important sense, it is this question that is answered when one describes one of the stakeholders as the principal and the others simply as stakeholders. What it means to be the principal is to be the stakeholder with the strongest moral and legal claim on the assets and activities of an organization.

In the case of INGOs, however, it is not clear which of the stakeholders should be so honored. Should those with the gold make the rules? Or, should those for whose benefit an organization exists call the shots? And, what room should be made for the claims of those comrades in arms with whom one shares the responsibility for the larger cause?

Note that one way to decide which of many stakeholders should be viewed as the principal whose aims ought to be honored is simply on the basis of power. The more powerful the stakeholder, the stronger its claim to be a principal. Prudence might well support this judgment because by definition, there are important prices to be paid for resisting the claims of powerful stakeholders. Yet, the difficulty is that many INGOs are committed to changing existing power relationships. These INGOs exist at least in part to give their clients and beneficiaries more powerful claims against their donors; to insist that the funds available to donors be used for the benefit of clients in ways that the clients think are best. To decide that the principal is the most powerful stakeholder would be to sacrifice this important purpose of INGOs.

Of course, it is not easy for INGOs to challenge the power of those who provide the funds they need to operate. In doing so, INGOs run the risk that they will alienate important sources of support and lose their capacities to help the clients and beneficiaries they seek to aid. Yet, many INGOs run these risks because they believe that their missions require them to do so. For example, Oxfam America refuses to take government money on the grounds that a government may insist on advancing its purposes rather than those of Oxfam's clients. Oxfam then uses the freedom it gains by relying on less exacting donors to make its programs responsive to clients rather than funding bodies. Other organizations have emphasized the importance of remaining accountable to transnational INGO alliances and the political and operational capacities such alliances represent rather than yielding to the demands of particular donors.

The facts that INGOs have many different stakeholders to whom they might owe some accountability, that these different stakeholders have different amounts of effective power to insist that their expectations be satisfied, and that INGOs often seek to rebalance power relationships lead to the conclusion that the decision about which stakeholder should be viewed as the principal is hardly a straightforward question. With this analysis, one can see that describing one stakeholder as the principal represents an important judgment about the ordering of stakeholders' claims on organizational

performance. But, it is not clear what principles or criteria one should use to order these claims.

One could make such a judgment on a moral or ethical basis. That is, one could decide that one stakeholder is more deserving than another; that a donor's claims deserve to be taken seriously because that donor paid for them, that a client's claims should be emphasized because its satisfaction is the whole point of the organization's efforts, or that a partner's claims should be met because it has earned the right through faithful service.

Alternatively, one could make the judgment on a legal basis. That is, one could look at the law and determine which of the claims against the organization would be given priority by a court if it were asked to resolve the dispute. This would tend to give the greatest weight to those with whom one had signed contracts, probably privileging donors and partners over clients.

One could also decide the matter on a prudential basis. That is, one could look at the consequences of honoring or resisting a claim on the survivability of the organization in the future.

Or, finally, one could decide the issue as a matter of strategic judgment. That is, one could decide how to balance moral, legal, and prudential concerns in a way that is calculated to allow the organization to define and achieve its mission.

In the next section of this article, we argue that it is best for INGOs to think about the issue of accountability not simply as an abstract, moral, and legal issue, nor simply as a prudential question about whom it is safe to ignore, but instead as a key strategic issue that will help INGOs define and achieve their highest values.

#### ORGANIZATIONAL MISSION AND STRATEGY IN INGOS

INGOs' "accountability" must be understood partly as a legal and moral imperative but more importantly as a strategic choice. The issue of accountability arises because various INGO stakeholders believe that they have the moral and legal right (as well as the effective power) to make claims on what an organization does with its bundle of assets. The problem of accountability arises because the claims of the various stakeholders are not necessarily coherently aligned with one another, nor do they necessarily align perfectly with the purposes of those who lead and staff an organization. As a result, the leadership of INGOs must choose to embrace or resist particular stakeholders' demands.

These decisions about which stakeholders' demands for accountability should be embraced and which resisted can have profound impacts on INGOs' missions, strategies, and operations because demands for accountability are potentially important drivers of organizational behavior. If an

INGO's structures and systems of accountability are aligned with its mission as the leadership understands it, demands for accountability will neither reduce autonomy nor alter purposes. However, if the demands are at odds with organizational purposes (as defined by the current leadership), an INGO may have to shield itself from those demands to pursue its "true" purpose.

The difficulty, of course, is that resisting demands for accountability from specific stakeholders can weaken those stakeholders' support. Funding bodies may withdraw support for INGOs that are seen as unwilling to be accountable for the efficient use of resources. Newspaper stories that question the use of funds by child sponsorship INGOs such as World Vision or Save the Children, for example, can seriously harm their ability to raise funds from private donors. Committed staff members can stop working hard if an INGO fails to embody the values and missions that brought them to the organization. Program partners may stop cooperating if their expectations are not met. Losses such as these could hurt an INGO more than the threatened deflection from its goals or purposes. Such losses could be large enough even threaten an organization's survival.

The implication, then, is that crafting an INGO's mission and strategy is at least partly a decision about structuring its accountabilities. An INGO effectively trades accountability for support; by making itself accountable to the expectations of particular stakeholders, an INGO earns their continued support.

The relationship between accountability and strategy becomes clearer if one uses the "strategic triangle" developed for positioning nonprofit organizations in dynamic funding and task environments (Moore, 2000). Figure 1 presents the strategic triangle. The points of the triangle are meant to focus attention on three crucial calculations leaders must make if their organizations are to survive, produce socially valuable results, and successfully adapt to changing circumstances.

The circle labeled *Value* reminds INGO leaders that INGOs exist to accomplish some public purpose. INGOs might have many purposes: improving the lives of poor children, building rural self-help organizations, reducing environmental pollution, or combating violations of human rights. The point is that an INGO must tell a plausible story about the value it seeks to achieve and how it will do so. This story provides a sense of purpose, helps mobilize and sustain support, and creates a focus for developing and deploying an organization's operational capacities (Moore, 1995, chap. 3).

The circle labeled *Support and Legitimacy* reminds INGO leaders that they must be able to mobilize the political, legal, and financial support needed to achieve their goals. In the for-profit sector, both legitimacy and financial support are conferred by customers, who buy the products and services a firm produces. Customers' decisions to spend their money on an organization's products and services simultaneously provide a revenue stream that allows the organization to remain in operation (support) and evidence that the

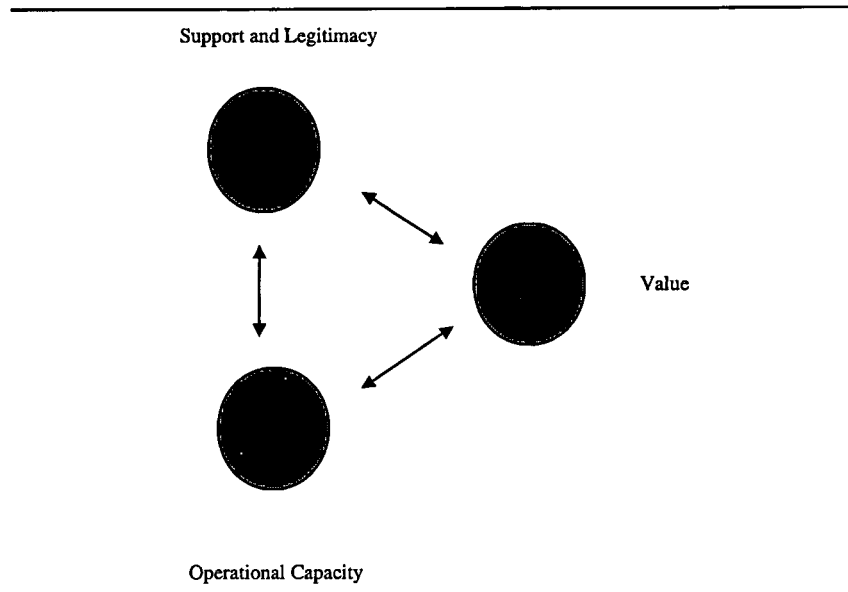


Figure 1. The Strategic Triangle

organization is producing something that individuals value (a kind of legitimacy). In the not-for-profit sector, however, the idea of support and legitimacy is somewhat more complex (Moore, 2000).

To a degree, *support* in the nonprofit sector means the same thing that it does in the for-profit sector: a flow of money and material resources that allows an organization to stay in operation. Typically, however, only a small portion of INGOs' support comes from sales to paying customers. Instead, INGOs' financial resources come from financial "contributors" (individuals, foundations, or governments) that are willing to pay for delivering services to beneficiaries who cannot pay for the services themselves.

Dependence for financial support on contributors creates some important accountability dilemmas for INGOs. First, it creates the possibility that differences between the preferences of donors and clients might arise. Second, to the extent that these differences do arise, an INGO faces the difficult ethical, legal, and strategic question of to whom it should make itself most accountable. The convenient integration of accountabilities in the private sector concept of customers is disintegrated for INGOs that face potentially conflicting obligations to contributors on one hand and to clients on the other.

In the INGO context, the idea of legitimacy and support includes flows of needed resources other than money. Many INGOs rely on voluntarily contributed time and effort, both from volunteers and from staff members who are

paid less than market scale for their talents. Many INGOs also benefit from contributions of food, medicine, equipment, and other in-kind goods.

Finally, the concept of legitimacy and support focuses on the political and social recognition of an organization's right to exist, to operate for particular purposes in particular locations, and to press claims on others. Of course, the narrowest conception of legitimacy is the right of an organization to exist at all. In many countries, INGOs must work hard to gain the rights to exist and operate, and they may need to create alliances with other actors to carry out their programs. When PLAN International sought to begin a child sponsorship program in India, for example, the government of India required it to work in partnership with Indian NGOs rather than start its own branches. INGOs can seek to expand this kind of legitimacy by associating themselves with universally popular goals, by acquiring reputations for expertise, or by representing important constituencies. Without such legitimacy, it can be very difficult for INGOs to carry out their programs.

The third circle of the strategic triangle, labeled *Operational Capacity*, focuses the attention of INGO leaders on their abilities to deliver program results. Here, one confronts the familiar, demanding technical and operational questions of how best to deploy available financial, material, and political resources to produce desired results. We use the term *operational capacity* (rather than *organizational capacity*) to emphasize that for many INGOs, the capacity needed to deliver results lies outside their organizational boundaries. Many INGO aspirations (sustainable development in poor communities, international regimes that protect human rights) must be "coproduced" with partners that are not subject to an INGO's authority. Many INGOs must focus, mobilize, and sustain partnerships and coalitions rather than attend exclusively to their own organizations to produce results (see Uvin, Jain & Brown, 2000).

What is challenging about this conception of strategy is meeting all of these constraints simultaneously. If an INGO has value and support but no capability, it will not deliver on its promises. If an INGO has value and capability but no support, it will fail for want of resources or legitimacy. If an INGO has support and capacity but produces little of value, it will survive, but only at the price of wasted resources.

The need to integrate these three circles brings issues of accountability to the fore because each of these circles can be seen as demanding a kind of accountability. INGOs are accountable to achieving some valued purposes encoded in their understandings of their missions. A concept of mission could have come from the original commitments and traditions of an organization, the moral commitments of its current leaders, or the urgency of the problems the organization now confronts and chooses to take as its own to solve. The legitimacy and support circle reminds an INGO's leaders of their accountability to those who provide resources, authorize its existence, or allow the INGO to speak for them. The operational capacity circle reminds an INGO's

strategists that it is accountable to the staff members and the partners who carry out programs. In this sense, the choice of organizational strategy is a negotiated deal among the stakeholders to whom an INGO owes accountability. A successful strategy would be one that aligns these different kinds of accountabilities.

### INGO STRATEGY AND ACCOUNTABILITY

INGOs differ from one another in the kinds of roles they choose to play in fostering human development and the strategies and activities they rely on to help them achieve their goals. One influential analysis has sorted INGOs into "generations" that emphasize relief and welfare services, community organization and capacity building for self-help, creating sustainable development systems, and catalyzing large-scale social movements (Korten, 1989). More recently, Vakil (1997) has argued that INGOs can be classed into five functional categories: welfare, development (in the sense of capacity building), advocacy, development education, and networking or research.

We examine three INGO roles: welfare and service delivery, capacity building for self-help, and policy and institutional influence. These roles are common for INGOs. We think that they are also best served by quite different structures of accountability. This means that INGO strategists must decide about organizational roles before they set up structures of accountability. It also means that INGOs that change their strategies may have to consider how to change their accountability systems as well. For some organizations, rooted in existing structures of accountability, shifting basic functions may not be feasible.

Table 1 identifies actors relevant to accountability systems for these different INGO roles. We turn now to exploring the implications of different functions and activities for accountability.

#### WELFARE AND SERVICE DELIVERY INGOS

Welfare and service delivery INGOs deliver products or services designed to benefit clients or to improve the state of the world. They are valuable primarily as a producing organizations that mobilize resources such as money, volunteer time and energy, and materials; and transform or allocate those resources to higher value uses. The value contributed by an INGO is high if no resources are diverted to inappropriate purposes (integrity), if some valuable use can be found for each of the resources (efficiency), and if the maximum amount of value is wrung out of the overall stock of resources (effectiveness).

Boards and CEOs of INGOs will feel accountable to groups that provide those resources as a matter of prudence (they guarantee the future survival of the organization!), as a matter of law (there may be some enforceable promises made about how assets will be used), and as a matter of ordinary morality (it

Table 1. Accountability Stakeholders for Different Kinds of INGOs

|  | <i>Service Delivery<br/>INGOs</i>   | <i>Capacity-Building<br/>INGOs</i>  | <i>Policy and Institutional<br/>Influence INGOs</i>  |
|--|---|---|--|
| INGO mission focus                     | <ul style="list-style-type: none"> <li>• Deliver goods and services to less served beneficiaries</li> </ul>                                 | <ul style="list-style-type: none"> <li>• Empower and build capacities of clients for self-help</li> </ul>   | <ul style="list-style-type: none"> <li>• Foster political voices of underrepresented constituencies</li> </ul>   |
| Value creation stakeholders            | <ul style="list-style-type: none"> <li>• Service beneficiaries</li> </ul>   | <ul style="list-style-type: none"> <li>• Capacity-building clients</li> </ul>   | <ul style="list-style-type: none"> <li>• Policy constituents</li> <li>• Policy influence targets</li> </ul>  |
| Support and authorization stakeholders | <ul style="list-style-type: none"> <li>• Donors and other resource providers</li> <li>• Technical service experts and regulators</li> </ul> | <ul style="list-style-type: none"> <li>• Donors and other resource providers</li> <li>• Capacity-building experts and regulators</li> </ul>                 | <ul style="list-style-type: none"> <li>• Donors and other resource providers</li> <li>• Policy experts and regulators</li> <li>• General public and media</li> </ul> |
| Operational capacity stakeholders      | <ul style="list-style-type: none"> <li>• INGO staff members</li> <li>• Partners or allies in delivering services</li> </ul>                 | <ul style="list-style-type: none"> <li>• INGO staff members</li> <li>• Partners in building capacities</li> <li>• Client coproducers of capacity</li> </ul> | <ul style="list-style-type: none"> <li>• INGO staff members</li> <li>• Allies in influence campaigns</li> <li>• Members represented by INGOs in campaigns</li> </ul> |

Note: INGO = international nongovernmental organization.

would be wrong to take money on false pretenses). What an organization owes to these donors is to produce the maximum feasible return in terms of mission effectiveness.

A service delivery INGO may also be accountable to its beneficiaries or clients. In the for-profit sector, corporate law tilts accountabilities in the direction of shareholders, although corporations have some responsibilities to their customers. In the INGO sector, boards and CEOs also face this dual accountability to financial contributors and clients. One might think that this tension would be resolved more decisively in favor of clients when conflicts exist because the whole point of an INGO is to benefit its clients. In reality, however, a gap can often appear in the preferences and desires of contributors and those of clients. Many INGOs are set up to achieve relatively abstract purposes, such as to reduce hunger, prevent AIDS, or protect biodiversity. To accomplish these ends, INGOs must interact with individual clients and produce results that may benefit those clients. But, producing benefits to individual clients is not the same as achieving the desired social result: The satisfaction of famine victims may not indicate long-term reductions in hunger, alleviating the misery of AIDS victims may not signal better prevention, and approval from rain-forest residents may not indicate a reduced threat to biodiversity. Client satisfaction may not be a good indicator of success.

The problem grows potentially worse when clients do not pay for INGO services. Donors may say that their purpose is to benefit clients and allow the clients to define what they want. In the more ordinary case, however, donors

seek results that may or may not make individual clients better off in their own subjective terms. Programs to reduce population growth offer birth control education and materials, even if clients would prefer food or income assistance.

Because there is a distinction between achieving the social results desired by contributors and satisfying clients, INGOs face tensions between satisfying donors and keeping clients happy. Prudentially, the interests of the donors will weigh heavily with an INGO's leaders because the INGO cannot continue without donors' support. Legally, donor interests will also count, particularly if resources are conveyed via contracts rather than grants or contributions. Morally, however, the interests of clients often take precedence.

These tensions can produce serious dilemmas. For example, auditors in one INGO summarily ended a program when they found that a Southern NGO partner had engaged in padding an expense account. The fact that this decision would end a large children's program because no alternative partners were available was never discussed, so impacts on constituencies other than donors were never considered in the decision.

In service-delivering INGOs, the claims of employees, partners, and coproducers are ranked lower than those of donors and clients. The reason is that these stakeholders are viewed as instruments for achieving an organization's objectives, not as ends in themselves. Consequently, their claims are often seen as detracting from the ability of an INGO to deliver the maximum value to its contributors and clients. Of course, an INGO might benefit from paying a fair market price for supplies and work from employees, and it might be more effective if it treats its employees well. But, if the value added by the organization is conceived primarily in terms of delivering services, both management and committed staff members are likely to resist diverting resources away from those services. Both management and staff members will be inclined to privilege the claims of the donors (who want the most value delivered to clients) and clients (who want the most value they can get) over the claims of employees and suppliers. This ordering of priorities and accountabilities also helps explain why INGOs tend not to invest resources in staff development and capacity building, even when it might serve their long-term interests to do so.

#### CAPACITY-BUILDING INGOS

Capacity-building INGOs focus on working with clients to enhance their abilities to help themselves rather than providing services for clients in a potentially paternalistic way. For example, Oxfam America has long sought to create partnerships whereby local actors can pursue local their aspirations and solve their own problems (e.g., Offenheiser, Holcomb, & Hopkins, 1999). A recent study found that most U.S. development INGOs were working in partnership with Southern NGOs to carry out some programs and saw

capacity building as an increasingly central feature of their work (Leach, Kalegaonkar, & Brown, 1998).

A great deal changes in organizational accountability once an INGO commits to working with rather than for clients. The capacity-building focus implies a commitment to strengthening clients' abilities to carry out their own purposes and aspirations rather than to achieving those purposes specified by the INGO or its contributors. Capacity-building INGOs commit themselves to more accountability to their clients. This means not only that they will allow their clients to influence the means used to accomplish goals but also that they will reconsider ends that are challenged by clients. If a capacity-building INGO offers training in financial management, and its clients say they need help with political advocacy, the INGO might shift from training in financial management to training in advocacy.

There are several reasons why accepting this degree of accountability to clients compared with other stakeholders makes sense. First, as a moral matter, it shows respect for clients' interests in defining their own development needs. Second, as a practical matter, capacity-building initiatives focused on problems relevant to clients are more likely to produce impacts clients will value. Third, clients that care about problems are more likely to invest in building capacities to deal with it. Fourth, success in dealing with locally recognized problems builds client capacities that can be used to tackle other problems.

Placing a high value on client concerns can create dilemmas when other powerful stakeholders have strong interests, however. A capacity-building INGO in Asia provides its diagnostic assessments to NGO clients but not to the donors that fund those assessments, on the theory that clients will speak more frankly about problems if they are not worried about donor evaluations. Some donors have accepted this logic; others refuse to fund work that they cannot easily oversee.

A persistent difficulty for capacity-building INGOs responsive to their clients is that results are hard to predict. Outcomes depend in large part on what clients want and are prepared to do, not on what an INGO plans. Even with agreement on goals, clients may choose methods and technologies that do not seem right to either INGOs or their supporters. Local decisions may be dominated by traditional tribal or clan elites who reject suggestions made by women or marginalized populations. Responsibility and resources may be allocated by criteria of which an INGO disapproves. Indeed, different priorities have been apparent in recent discussions at the International Forum on Capacity Building (2000 PLS. CONFIRM DATE: 1998?): Northern actors think of capacity building in terms of managerial skills such as accounting that enables the good use of donor resources, whereas Southern clients want to strengthen their abilities for policy advocacy, coalition building, and fostering large-scale social change.

Shifting primacy in accountability from donors to clients tests the generosity and commitment of donors. Clients may challenge their assumptions

about effective practice, good governance, and fiscal accountability. Many donors, especially those accustomed to service delivery roles, may agree with capacity-building commitments at the outset and later find that these commitments are difficult to keep. Sometimes, donors and INGO staffs seek to preserve or reinstitute service delivery accountabilities, even at the risk of increasing program costs, eroding trust, and reducing innovation and flexibility. Thus, some of the gains of shifting from a service delivery to a capacity-building approach may be undermined by accountability relationships that fail to reflect the shifts required by the capacity-building strategy.

#### POLICY INFLUENCE INGOS

A third kind of INGO helps individuals and organizations press their claims against national and international institutions (Fox & Brown, 1998; Jordan & van Tuijl, 2000; Keck & Sikkink, 1998). Some policy and institutional influence INGOs speak on behalf of populations that are otherwise without political voices. For example, Amnesty International challenges violations of human rights in many countries on behalf of prisoners of conscience. Other policy influence INGOs seek to reform political and institutional contexts that harm marginalized populations. For example, Transparency International seeks to reduce corruption that undermines sustainable development and economic justice around the world, and the Environmental Defense Fund challenges practices that harm the natural environment in different settings.

Policy influence INGOs resemble service delivery and capacity-building organizations in that they mobilize and deploy resources to accomplish their missions. They are organizations with inputs and outputs. What distinguishes policy influence INGOs from service delivery or capacity-building organizations, however, is that their goal is to produce effective political demands for action on others. They seek to make other organizations recognize problems or to be accountable to commitments they have already made.

Policy influence INGOs engage in many activities. They make arguments for the importance or justice of their causes. They conduct research to show the size and extent of problems. They organize demonstrations to mobilize support. They gather evidence about compliance with existing laws and policies. And, they press for laws and policies that further their goals. Policy influence INGOs organized the international campaigns to regulate Nestlé's sales of infant formula, for example (Johnson, 1989). Other policy influence INGOs campaigned to change the World Bank's policy on indigenous peoples (Gray, 1998). Other campaigns seek to influence public awareness as well as policies, such as the environmental campaigns against global warming or the Jubilee 2000 campaign to reduce developing countries' debts (Keck & Sikkink, 1998; Pettifor, 2000).

Policy influence INGOs are also accountable to many stakeholders. They have boards, financial contributors, and others that authorize them to take action. They have volunteers and paid staff members who carry out their

programs and organizational allies in policy campaigns. They rely on two kinds of clients to create policy influence results: the constituents they represent and those policy makers and implementing organizations that are the targets of their campaigns.

INGOs' influence over those they target and from whom they demand accountability depends on many factors, including a target actor's vulnerability to public opinion and sanctions, the extent to which external campaigns can affect the availability of strategic resources, and the degree to which the values of a targeted organization are aligned with those the INGO represents. Many INGO campaigns rely heavily on appealing to widely held values and challenging the actions of institutional targets that violate their own publicly announced standards. The Jubilee 2000 campaign for debt relief drew on Judeo-Christian traditions to advocate debt forgiveness (Pettifor, 2000), and the campaign against India's Narmada Dams emphasized the project's failure to develop a resettlement plan that met the World Bank's own standards (Udall, 1998).

However, credible challenges to target accountability require that INGOs be able to answer questions about their own accountability. Their targets and the wider audiences they need to help them press their claims against those targets both want to know why INGOs are legitimate voices in these debates.

Some policy influence INGOs can ground their legitimacy in their service to widely held values and argue that their legitimacy is rooted in nothing more than their commitments to these transcendent values. For example, the Campaign to Ban Landmines appealed to widespread concern about the innocent victims of land mines (Goose, 2000), and the campaigns to reduce violence against women reflect changing values about gender differences around the world (Keck & Sikkink, 1998). This basis for accountability puts a premium on access to the media and to wider publics whose views can validate and support pressure on key actors.

Other INGOs influence policy through their access to expertise and information that is important to policy formulation and implementation. When INGOs can establish the validity of their information and its relevance to policy making, their credibility as actors in the process increases. For example, the Environmental Defense Fund was able to demonstrate that World Bank projects in Brazil were not living up to the World Bank's own policies for requiring grassroots participation and so influenced the disbursement of World Bank funds (Keck, 1998). Accountability for INGOs that rely on information and expertise may be exercised through assessment of their data collection and analysis by technical criteria and experts.

A third basis for accountability of policy influence INGOs focuses on the extent to which they represent constituents for whom the political influence is mobilized. If an INGO claims to represent local constituents, it are most accountable to those constituents.

Policy influence INGOs that represent political interests might need governance structures that differ from those of service delivery organizations.

Effective service INGOs may have small boards and a few large donors but keep beneficiaries largely outside governance structures. In contrast, policy influence INGOs might widen their structures of accountability. They might recruit many small donors as members to widen their political as well as financial bases. They might expand their accountability by bringing clients into their boards or by making clients members rather than treating them as external clients or beneficiaries. At the extreme, this trend blurs the boundary between organizations and clients, incorporating clients into organizational governance. In essence, this transforms the "other-serving" organizational form of service delivery INGOs into the "member-serving" form of advocacy INGOs.

The problems of accountability for influence INGOs then shift to relations with the constituencies they claim to represent. Often, these accountabilities are difficult to define, given the social and political distances between INGOs and grassroots constituencies, and even more difficult to enforce (Brown & Fox, 1998; Jordan & van Tuijl, 2000). Accountability becomes dependent on arrangements for consultation, information exchange, and dispute resolution across large differences in wealth, power, and culture. As INGOs focus more on political influence, they may need to construct consultative mechanisms to develop strategies, set agendas, and make decisions.

#### CONCLUSION: FITTING ORGANIZATIONAL STRATEGY TO STRUCTURES OF ACCOUNTABILITY

Table 2 briefly summarizes this comparison of INGOs in terms of accountability relationships and priorities. The table describes relatively pure types, of course, and these types are seldom so clearly delineated in reality. Many INGOs perform multiple functions and carry out multiple activities. It is important to clarify these underlying differences, however, because they have important implications for which stakeholders and accountabilities should take priority.

For service delivery INGOs, although beneficiaries have moral claims to good services, much of the power for sanctioning departures from INGO responsibilities rests with (a) donors that underwrite what are often high costs, (b) technical bodies that assess the quality of services, and (c) regulators that negotiate terms of service delivery.

Capacity-building INGOs face many of the same pressures. However, their world is complicated by the reality that building local capacities for self-help requires active participation by local clients. Local clients may be passive recipients of services, but passivity strikes at the heart of effective capacity building. The nature of capacity-building programs encourages clients to play more active roles in holding INGOs accountable. If terms of accountability that favor clients' aspirations over those of donors cannot be negotiated, it will

Table 2. Comparisons of Accountabilities for Different Kinds of INGOs

|  | <i>Service Delivery<br/>INGOs</i>  | <i>Capacity-Building<br/>INGOs</i>  | <i>Policy Influence<br/>INGOs</i>   |
|--|--|---|---|
| INGO mission focus                                       | <ul style="list-style-type: none"> <li>• Deliver goods and services to underserved beneficiaries</li> </ul>                                  | <ul style="list-style-type: none"> <li>• Empower and build capacities of clients for self-help</li> </ul>                                   | <ul style="list-style-type: none"> <li>• Foster political voices of underrepresented constituencies</li> </ul>  |
| Accountability to stakeholders in value creation         | <ul style="list-style-type: none"> <li>• Beneficiaries have moral claim to services but may be passive recipients</li> </ul>                 | <ul style="list-style-type: none"> <li>• Clients' participation essential to define and build capacities</li> </ul>                         | <ul style="list-style-type: none"> <li>• Credibility with targets via values, information, or representation</li> <li>• Constituents' voices key to representation</li> </ul> |
| Accountability to support and authorization stakeholders | <ul style="list-style-type: none"> <li>• Donor resources are vital to delivery</li> <li>• Technical bodies assess service quality</li> </ul> | <ul style="list-style-type: none"> <li>• Donor resources are important</li> <li>• Regulators have legal sanctions</li> </ul>                | <ul style="list-style-type: none"> <li>• Donor resources from many and members</li> <li>• Legitimacy grounded in values, information, or member voices</li> </ul>             |
| Accountability to operational coproducers                | <ul style="list-style-type: none"> <li>• Staff members and partners are means to service delivery goals</li> </ul>                           | <ul style="list-style-type: none"> <li>• Staff members and partners support capacity</li> <li>• Capacity coproduced with clients</li> </ul> | <ul style="list-style-type: none"> <li>• Staff and allies critical to influence campaigns</li> <li>• Membership coproduces influence</li> </ul>                               |

Note: INGO = international nongovernmental organization.

be very hard for organizations that start off as service delivery organizations to make the shift to capacity-building roles.

The missions of policy influence INGOs depend on their abilities to make powerful claims on their targets. Being committed to transcendentally important moral values can generate that power. Essential expertise or information about public problems can also generate it. Perhaps most importantly, power will come from enabling the political voice of a constituency that needs to be heard. To ensure the authentic voice of some political constituency, an INGO must engage with it as a political constituency rather than a service client. At the limit, an INGO could become a membership organization with a governance structure that gives its members the power to use the organization's voice as their own.

What Table 2 makes clear, we think, is that the concept of accountability is not fixed. There is no single accountability structure that is right for all organizations. All organizations must be accountable. But, how they structure their accountabilities will have a decisive impact on the strategies they can execute. If an INGO's leader inherits the accountability system of a policy influence INGO, he or she will find it very difficult to sustain a service delivery focus. The old structure of accountability will tend to anchor the organization in its

political work and hamper its efforts at service delivery. In this sense, accountability must be aligned with the strategy that guides the organization.

These challenges are particularly relevant to INGOs that face a globalizing world that calls on them to do more with less, to act as catalysts for rapid change, and to foster sustained improvement in intransigent problems of sustainable development, economic justice, and political democratization around the world (see Edwards, Hulme, & Watkins, 1999; Florini, 2000). INGOs around the world are increasingly in the global spotlight as they experiment with evolving strategies, changing functions, and new structural forms (Lindenberg & Dobel, 1999). The challenges of reframing and reorganizing their accountabilities will be central to those efforts.

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