1 ACCOUNTABILITY OF NGO

Accountability for an NGO – like for any institution or even any individual – is a matter of governance, defined as "*a mode of governing that is distinct from the hierarchical control model characterizing the interventionist state. Governance is the type of regulation typical of the cooperative State, where State and non-state actors participate in mixed public private partnership networks*[1]"or "*the formation of cooperative relationships between government, profit-making firms, and non-profit private organizations to fulfil a policy function.*[2]" Of course governance is more than just a way to manage the inter-relations within a public private partnership arrangement. We shall detail this by reference to a catalogue of the different types of accountability mechanisms identified by Erik B. Bluemel (BLUEMEL, 2007[3]). The references cited here are taken from the mentioned article.

People find into the Civil Society a playground to express their frustrations towards their national or local government that ordinary democracy fails to resolve. Therefore they feel the right to obtain a higher degree of accountability from the organisation they join or support. Regrettably, they are seldom satisfied.

Accountability mechanisms are usually designed to constrain power, whatever its form. In the Communication Society, it has become one of the essential means for all interconnected actors to exert mutual control. It is an essential part of e-Governance and the only real enabler of eDemocracy. It has become quite clear that the Civil Society that requests accountability from government will have at some point to act similarly and eventually become accountable. Moreover, NGOs that pursue altruistic goals have an increasingly crucial need of resources, this especially when they develop social programmes in supplement to those stated insufficient as provided by State.

But the exercise of power is a complex task of balancing conflicting powers, pressures and interests. Let's make an example: Imagine fishermen, they are citizens of a country that incidentally financially supports an particular NGO protecting marine biodiversity They decide to become massively members of that NGO with the effect of changing the balance of power within the NGO and force it to disobey the instructions given by the government in exchange of its support. What would then happen? Deprived of resources, the NGO would disappear… unless it places ideals above internal democracy and renounces to be accountable to its members and remains accountable to its fund providers.

Starting however with internal democracy, in order to function, by definition, accountability implies delivery of reliable information and the ability to eventually sanction those in charge for misbehaviour: "*Accountability refers to*

[1] MAYNTZ Renate; 2002; *Common Goods and Governance;* Common Goods: Reinventing European And International Governance 15, 21 ;Adrienne Heritier ed.
[2] LINDER Stephen H. & VAILLANCOURT ROSENAU Pauline; 2000; *Mapping the Terrain of the Public-Private Policy Partnership*; Public-Private Policy Partnerships 1, 5 ;Pauline Vaillancourt Rosenau ed.
[3] BLUEMEL, Erik. 2007; *Overcoming NGO accountability Concerns in International Governance*. s.l. : received by direct contact with the author, 2007.

relationships in which principals have the ability to demand answers from agents to questions about their proposed or past behaviour, to discern that behaviour, and to impose sanctions on agents in the event that they regard the behaviour as unsatisfactory.[4]"

Levels of <u>*internal democratic accountability*</u> *vary significantly between NGOs*[5] but some have argued "*the role of NGOs is not to be representative but to raise awareness*[6] ". Here comes again the same dilemma evoked above. But the *vast majority of NGO accountability scholars dealing with this issue evaluate NGO accountability based solely upon their internal controls*. *Generally NGO representatives are not elected by their memberships and members typically are passive contributors who do not review or direct the NGOs' actions*. (Bluemel 2007) This is for example the case of Greenpeace. Some NGO, like the IUCN, do not agree and feel responsibility for their members, to the exception of administrative and financial responsibility.

Concerning <u>external democratic accountability</u> – see Figure 1 – members and, to some extent, supporters and fund raisers are the primary factors of internal NGO accountability, while beneficiaries are viewed as external accountability holders who at all times possess reputation controls, but who may possess greater rights to hold NGOs accountable depending upon the function performed by the organization. Think of the situation of fishermen in my example before they became members. Think also at the beneficiaries of a public assistance programme funded by a government by carried on by an NGO in PPP. As a particular NGO gains influence, it can exert effects, for good or ill, on people that are not its members. At this point, it can be legitimately held externally accountable like other powerful entities that operate in world of politics as lobbies.

[4] DUNN John; 1999; *Situating Democratic Political Accountability*; Democracy, Accountability, And Representation 329, 335 Adam Przeworski et al. eds. It is important to note the principals, or accountability holders, need not be the beneficiaries of the agents' actions.
[5] See CHANDLER David; 2003; New Rights for the Old? Cosmopolitan Citizenship and the Critique of State Sovereignty; 51 Pol. Stud. 332, 336.
[6] Id. at 340. See also GALTUNG Johan; 2000; *Alternative Models for Global Democracy*; Global Democracy: Key Debates 143, 155 (Barry Holden ed.).

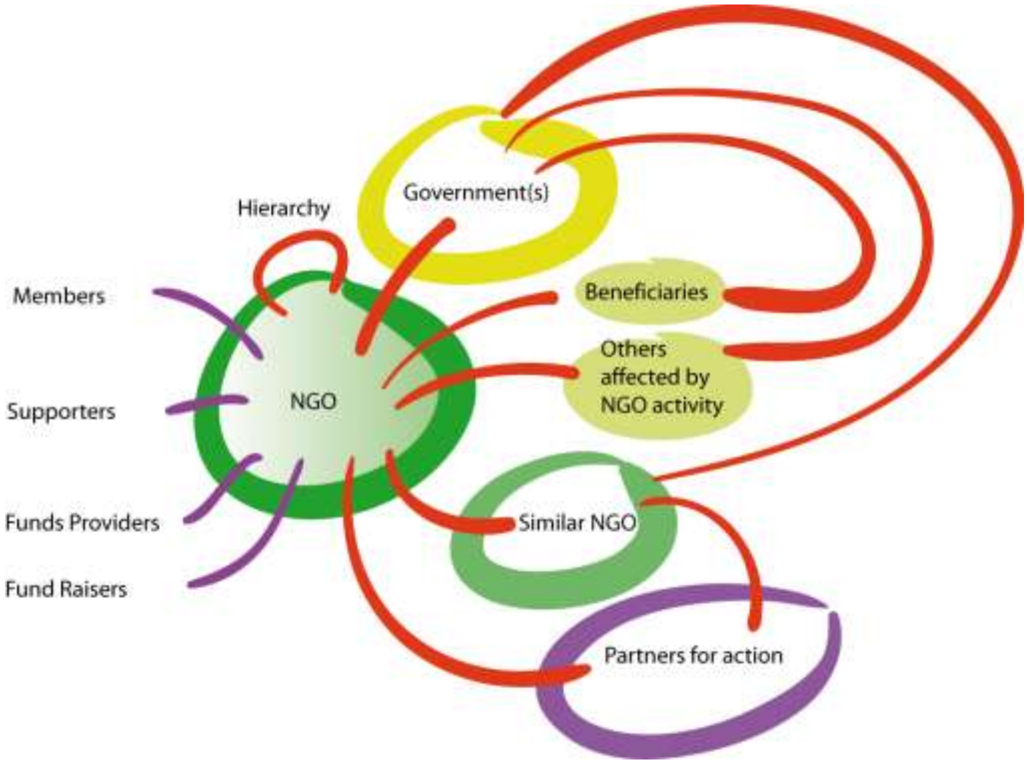

Figure 1 - Relations of accountability

Bluemel identified in his article the following catalogue of control mechanisms of accountability based on: fiscal, market, supervisory, legal, peer, market, reputation and hierarchy.

Fiscal accountability, also known as financial conditionality; it includes not only conditions a fund provider may impose upon an NGO, but also *may include, inter alia, national regulations preventing an NGO from engaging in for-profit activities or decisions made by individuals with conflicts of interests* (Bluemel, 2007). This form of accountability is particularly strong for NGOs which are highly dependent upon external financing; it is even stronger for NGO who engage an essential part of their activity in a PPP with government. *The necessity of financing for sustainability* – or competing for government contracts for PPP – *creates a competitive market, with NGOs seeking to carve out market niches and branding.* Knowing that, according to certain sources that I could not verify, NGOs provides now a higher rate of increase of employment than the rest of the private sector, this competitive effect may strongly motivate NGOs to act like private sector actors and therefore may cause NGOs to act against the interest of their members, supporters, funds providers or beneficiaries.

Market accountability is similar to fiscal accountability. The means, by which NGOs obtain financing or membership in a competitive NGO environment, can also be a powerful external method to control runaway NGO behaviour. NGO tend to avoid competition on their ‘market’. Like any firm, if a particular NGO is not fitted for its ‘market’, it will disappear.

Supervisory accountability: an NGO who receives a mandate from the government has to follow instructions to continue receiving funds.

Legal accountability: Any NGO has to register somewhere according to the laws of the country of registration. How an association becomes an NGO or how to distinguish them is not clear. I made this experience myself, asking several directors of volunteers association whether they would define them an association or an NGO. Usually both answers came from within the same association. The situation is more complex for international NGOs, though there is no international legal system which means the legal accountability of an international NGO tends to be weak.

Peer accountability. NGOs often act cooperatively to merge the necessary resources, expertise, and relationships to achieve particular functions.

Reputation based accountability. Forces tied to reputation *regulate the extent to which NGOs must address internal accountability, since no exit barriers exist for members, and the NGO "markets" for membership are generally competitive*. (Bluemel, 2007)

There is little incentive for the individual to use his voice to improve the organisation. Additionally, where members seek to hold their representative organisations accountable, there are significant barriers to entry, which come in the form of information costs. In the non-profit sector there is simply no equivalent to voters in the state sector or shareholders in the business sector. Both ideas mean that e-NGO might not be tempted to enhance member access to management of the NGO by fear that it may increase the value of the accountability factor based on reputation. On the opposite, an NGO decreasing the cost of getting information would become more attractive and force the other NGO to follow the trend initiated.

Finally, NGOs might regulate themselves through the internal accountability mechanism of hierarchy.

A final word on legitimacy: *dependent upon the function which the NGO intends to perform, [it] legitimacy is largely derived from claims of representation of under-served, disenfranchised or otherwise disempowered populations. NGO's claims to a legitimate voice over policy are based on the disadvantaged people for whom they claim to speak, and on the abstract principles they espouse. But they are internally accountable to wealthy, relatively public-spirited people in rich countries, who do not experience the results of their actions. Hence there is a danger that they will engage in symbolic politics, satisfying to their internal constituencies but unresponsive to the real needs of the people whom they claim to serve.*[7]

[7] KEOHANE Robert; 2003; Global Governance and Democratic Accountability, Taming Globalization: Frontiers Of Governance; David Held & Mathias Koenig- Archibugi eds.