

**Transformation of Global Governance:
government-NGO relationships in complexity
networks of the aid industry**

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Introduction

The end of 2011 was marked by the fourth and last High Level Forum on Aid Effectiveness (hereafter HLF) held in Busan, signaling a groundbreaking transformation in the governance structures of the aid “industry”¹ to further recognize the unique roles of civil society organizations (CSO). CSOs were officially acknowledged to “play a vital role in enabling people to claim their rights, in promoting rights-based approaches, in shaping development policies and partnerships, and in overseeing their implementation”², and governments pledged to ensure them an enabling environment. There are still noticeable voices of concern from the civil society, however, based upon the weak past performances of governments in translating their commitments into actions after the second and third HLF held in Paris and Accra.

Based on such inconsistencies, this paper aims to identify the underlying patterns of the exchange relationship between NGO and governments. It employs the complexity framework as an interdisciplinary approach to understand the implications of the complex network of actors in international development cooperation. It delves more specifically into the concept of “loosely coupled systems,” which is used to define the low degree of interdependence among elements of an organization that are responsive to one another, but maintain each of their own distinctive identities and features³.

Part I of this paper examines the overall progress of HLFs – the growing recognition and expectations regarding the roles of CSOs – as stated in the government pledges set forth in each forum. It also analyzes the viewpoints of the CSOs on the actual level of implementation made after the HLFs, through policy papers put together by INTRAC. Part II discusses the significance of applying the concepts of complexity science onto development in better understanding the realities faced within the aid industry. Part III deals with “loosely coupled systems,” a more specific concept of the complexity framework, and identifies areas within the government-NGO relationship that overlap with theory. Lastly, in Part IV, I discuss possible policy implications through which to enhance the functions of the loosely coupled relationship between governments and NGOs.

It is important to note that within the paper, the terms Civil Society Organizations (CSO) and Non-Governmental Organizations (NGO) are used interchangeably⁴ as needed, to mean both national NGOs and international NGOs. The discussions here regarding “governments” are limited to OECD Development Assistance Committee (DAC) donors, and the term “donors” refer to bilateral donors

¹ Rooy, Alison. Civil Society and the Aid Industry

² Busan Partnership for Effective Development Cooperation Fourth High Level Forum on Aid Effectiveness

³ Weick, K, “Educational Organizations as Loosely Coupled Systems”

⁴ DAC data shows that although DAC members have traditionally used the term NGO, more are now using it interchangeably with the term CSO. The DAC statistical reporting directive uses the term NGO, defined as any non-profit entity in which people organize themselves at a local, national or international level to pursue shared objectives and ideals, without significant government-controlled participation or representation.

only.

I. Background: CSOs and High Level Forums

Since its surge in the 1960s, international development cooperation has continued to evolve. In the 2000s, there rose a stronger need for a clear set of principles for aid delivery. Donors identified chronic setbacks such as “lack of co-ordination, overly ambitious targets, unrealistic time, budget constraints and political self-interest⁵” as the main reasons why aid practices were not producing effective results. Such needs were thus addressed in the HLFs in Rome, Paris, Accra and Busan in 2003, 2005, 2008 and 2011, respectively.

The second HLF was the first time both donors and recipients agreed on concrete commitments, as set forth in the five principles of the Paris Declaration – Ownership, Alignment, Harmonization, Managing for results and Mutual Accountability. Although the Paris Declaration did not explicitly state the role of CSOs in improving aid effectiveness, it placed partner countries’ ownership of policies and programs at the centre of international reform agenda. However, due to this somewhat crude recognition of “the contributions⁶” of CSOs, the civil society viewed the declaration to be limited largely to aid delivery, created without the involvement of CSOs, and thus laden with inherent short-comings, both in terms of process and outcomes⁷.

Prior to the following HLF held in Accra, September 2008, the Open Forum for CSO Development Effectiveness was launched in June 2008. It originated in the concerns raised in preparations for the forum, an initiative led by an international group of 25 CSOs towards a bottom-up approach to development. This would later develop into a platform for CSO discussions on minimum standards for an “enabling environment” in which to do their work⁸. In addition, the Istanbul CSO Development Effectiveness Principles⁹ agreed at the Open Forum’s Global Assembly in Istanbul, September 28-30, 2010, were groundbreaking standards upon which donor governments would recognize CSOs as effective development actors.

Meanwhile, as the third HLF progressed, donors and governments assessed the progress made in the implementation of commitments made in the Paris Declaration. The Accra Agenda for Action 2008 (hereafter AAA) directly addressed the role of CSOs as actors beyond the state in greater

⁵ <http://www.oecd.org/dac/aideffectiveness/thehighlevelforaonaideffectivenessahistory.htm>

⁶ The Paris Declaration on Aid Effectiveness and Accra Agenda for Action, 2008

⁷ Better Aid Coordinating Group, “An assessment of the Accra Agenda for Action from a civil society perspective”

⁸ “Open Forum for CSO Development Effectiveness,” <http://www.cso-effectiveness.org/>.

⁹ Respect and promote human rights and social justice, Embody gender equality and equity while promoting women and girls’ rights, Focus on people’s empowerment, democratic ownership and participation, Promote Environmental Sustainability, Practice transparency and accountability, Pursue equitable partnerships and solidarity, Create and share knowledge and commit to mutual learning, Commit to realizing positive sustainable change

detail. Under the principle of Strengthening Country Ownership over Development, paragraph 13 of the AAA states: “developing country governments will work more closely with parliaments and local authorities in preparing, implementing and monitoring national development policies and plans. They will also engage with CSOs.” Under Building More Effective and Inclusive Partnerships for Development, paragraph 20 recognizes CSOs as “independent development actors in their own right,” and states initiatives to “improve co-ordination of CSO efforts with government programs” and “provide an enabling environment that maximizes their contributions to development.”¹⁰ AAA also revealed commitments of governments to acknowledge and engage with the growing civil society in international development cooperation, in that they “share an interest in ensuring that CSO contributions to development reach their full potential.”

From the civil society’s point of view, however, the actual implementation of commitments made in AAA or even its contents indicate room for improvement. CSOs have voiced their concerns on the absence of time-bound and monitorable commitments and indicators to measure progress on actual actions which are likely to produce disappointing and limited results¹¹. The overall impression was that their roles were limited from the start, in that CSOs were excluded from engaging in the drafting process of the AAA or speaking during key, high-level discussions¹².

Thus, the language of the pledges put forth in the fourth HLF was viewed as the beginning of another transformation of global governance in the aid industry. Paragraph 22 of the Busan Partnership for Effective Development Cooperation¹³ states that “CSOs play a vital role in enabling people to claim their rights, in promoting rights-based approaches, in shaping development policies and partnerships, and in overseeing their implementation.” It also reflected governments’ commitments to “implement fully our respective commitments to enable CSOs to exercise their roles as independent development actors, with a particular focus on an enabling environment, consistent with agreed international rights, that maximizes the contributions of CSOs to development.” Regarding the overall commitments agreed in Paris, Accra and Busan, the civil society still calls for better, full inclusion, membership and rights for non-state actors. This includes recognition of CSOs as independent development actors in their own right,” equal representation and space so as to make aid more transparent, reliable and effective¹⁴. Their demands indicate that the government-CSO relationship must be based on a mutual understanding that CSOs are not to be marginalized, yet given full play to hold donors accountable in enhancing aid effectiveness and reform.

Why CSOs?

¹⁰ The Paris Declaration on Aid Effectiveness and Accra Agenda for Action, 2008

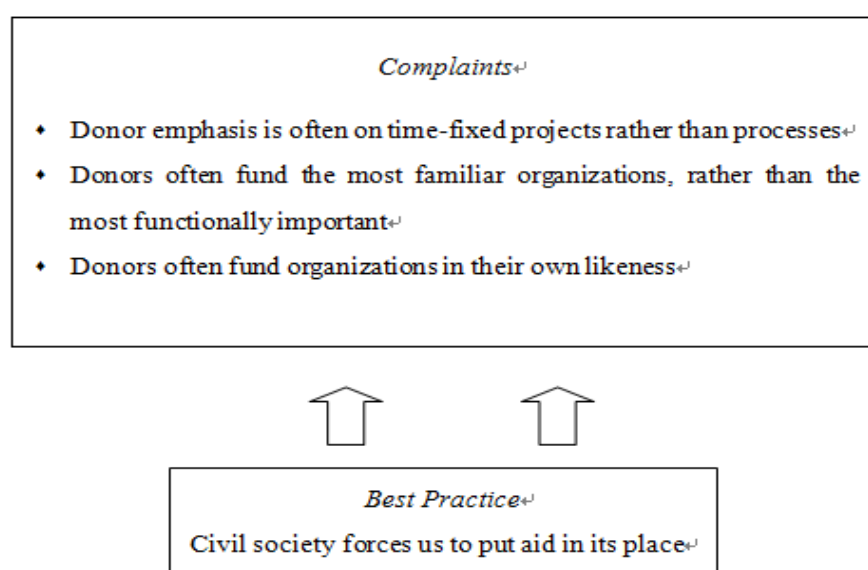
¹¹ Better Aid Coordinating Group, “An assessment of the Accra Agenda for Action from a civil society perspective,” pp 4-5

¹² Ibid p.14

¹³ Busan Partnership for Effective Development Cooperation Fourth High Level Forum on Aid Effectiveness

¹⁴ Better Aid, “Making the post-Busan governance more just: BetterAid position paper on aid architecture for the HLF4,” pp.2-5

Defining the role of CSOs in international development should begin with closer attention to the CSO's evolving relationship with the government. Rooy (1998) argues that this particular relationship, can rarely be portrayed in a "tidy opposition." Rather, CSOs should be "seen on a moving continuum of opposition and collaboration with particular governments and other brokers of power in the debates over poverty and social justice¹⁵." According to Rooy, there are a myriad of functions identified for both sides, and the civil society is merely not to diminish or replace the functions of the State. Instead, in the aid industry, CSOs help bring out the best donor practices and put aid in its rightful place.¹⁶ In other words, it is more likely that processes are emphasized over immediate, visible results; support is rightfully placed in areas of most dire need; and CSOs receive proportionate funding.



Source: Rooy, Alison, Civil Society and the Aid Industry (pp.206-208 rearranged into a picture)

<Picture 1: Failures of operationalization & Best Practice>

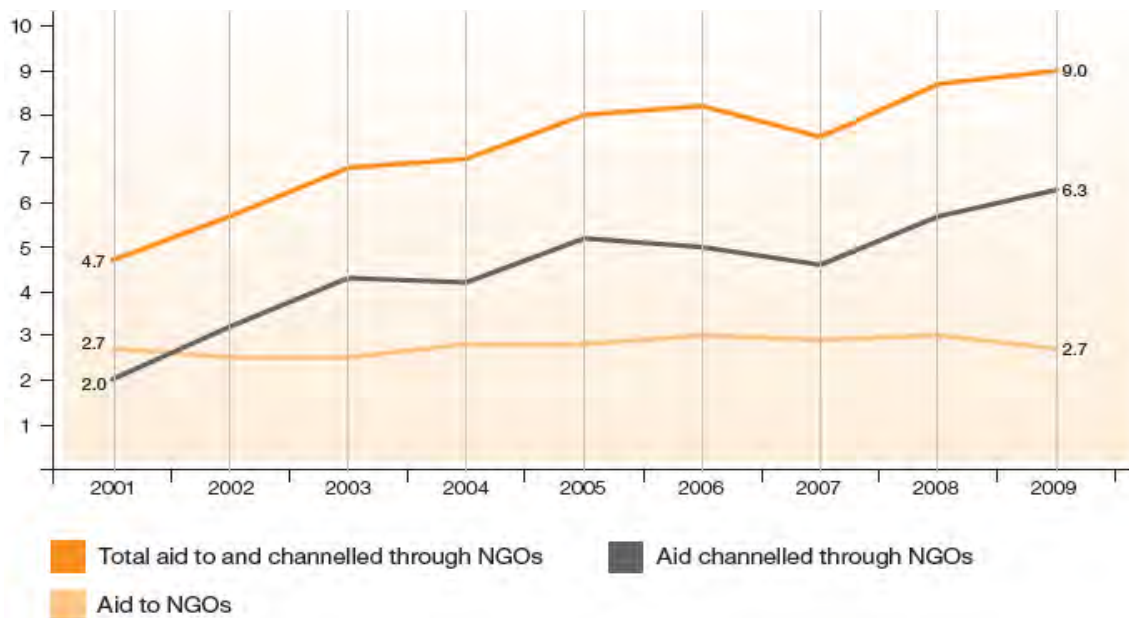
In a 2010 OECD survey on how donors work with civil society, OECD DAC donors state 10 reasons why they consider NGOs to be valuable development partners: their proximity to beneficiaries/reaching constituencies, their specific skills and expertise, ability to provide humanitarian assistance quickly, to innovate, and pilot initiatives that can be scaled-up capacity to provide support in fragile states and situations. NGOs can also better promote education, democracy and advocacy in the DAC country, function as channels of service delivery in developing countries and broaden the geographical and/or thematic focus of ODA¹⁷. In 2009, most bilateral ODA channeled through NGOs was for food aid, followed by disaster prevention, population policy and reproductive health, emergency response, government and civil society (including women's and

¹⁵ Rooy, Alison. Civil Society and the Aid Industry. p.202

¹⁶ Ibid p.207

¹⁷ OECD, "How DAC Members Work With Civil Society Organizations: an Overview," pp 14-18

human rights organizations), health, agriculture and forestry, business and other services thus reflecting the objectives of donors in working with CSOs, which are mainly humanitarian assistance, governance, strengthening civil society and service delivery. Aid to and channeled through NGOs have also shown a steady increase.



Source: DAC Statistics

<Figure 1: ODA provided to and channeled through NGOs by DAC members, 2001–2009, USD billion (2008 constant prices) >

Moreover, there is increasing awareness that official aid flows can no longer be centered on the decisions of state alone, but incorporate a network of the diverse actors involved. In this sense, NGOs are viewed as the agents of aid who effectively fill the governance gaps in the aid industry. This also coincides with the growing skepticism on grandiose aid initiatives, mostly the inefficiencies and adverse impact it has on the recipient country. As Easterly’s infamous statement goes – “the plan is to have no plan” – NGOs and their piecemeal projects are praised to have more preferable structures and processes to effectively reach those who are in need the most¹⁸. In addition, NGOs are at the front line of aid, functioning as channels conveying real-life information to donors at one end and delivering aid to recipients on the other, from whom they have earned trust and intimacy.

II. Complexity Framework and development

Complexity science was initially a means through which to understand the dynamics and processes of change found in a range of physical and biological phenomena. Such a framework has recently been developed to include concepts through which to understand social, economic and political phenomena

¹⁸ Easterly, White Man’s Burden

which continue to display complex networks. Here, the underlying assumption is that nations behave as complex adaptive systems, in that they are driven mainly by “chaotic” interactions between the interdependent elements of the system. Under the appropriate conditions, however, such interactions result in *self-organized* structures that “emerge” spontaneously without prior design or external compulsion¹⁹.

Thus, systematic change initiatives in global governance may continue to encounter frustration²⁰ because of the limited scope for top-down, *planned* actions to result in change within the system. As Woods states, the global governance debate is (still) focused heavily on the reform and creation of international institutions, yet global governance is increasingly being undertaken by a variety of networks, coalitions and informal arrangements which lie a little further beyond the public gaze and the direct control of governments²¹. Koenig-Archbugi also claims that the world is now faced with a complex architecture of governance that is characterized by a high degree of diversity and complexity – heterogeneous and at times contradictory²². Increased attention is thus placed on the claim that global social policy is “not a policy to be debated and won in the chambers of the UN or won in intellectual dialogue with Bank experts, but instead a policy implemented in practice by those who find themselves on the projects themselves²³.”

Such views can thus be juxtaposed with the recent analysis on “multilevel governance” and “devolution,” or the spread of power among non-state actors and its sub units²⁴. Similarly, under this framework, international development cooperation is found to display a multi-layer structure which inevitably incorporates a complex network among diverse actors and regimes²⁵. Thus, the concept of development now becomes an open-ended evolving process, driven by a large number of local interactions and uncontrolled by external forces²⁶. The “self-organized,” patterns produced here are not finite, orderly or predictable²⁷ but instead situated in between the two extremes of wasteful chaos and stultifying order²⁸.

In other words, the actual agents of aid are now no longer confined to a single entity, despite the fact that development cooperation is still primarily based on taxpayers’ money of the donor country – channeled through to the recipient country from government to government. In addition to the diversification of the stakeholders involved, the complex and multi-layered nature of the issues

¹⁹ Urry, *Global Complexity*

²⁰ *Ibid* p.15

²¹ Held and McGrew, *Governing Globalization: power, authority, and global governance*

²² *Ibid* p.62

²³ Deacon, *Global Social Policy and Governance*

²⁴ Min, *The transformation of the state and policy mechanisms: an understanding of the network state and metagovernance*

²⁵ Kim, *The Social Construction of International Development Cooperation: The Politics of Global Governance and Network Complexities*, p8

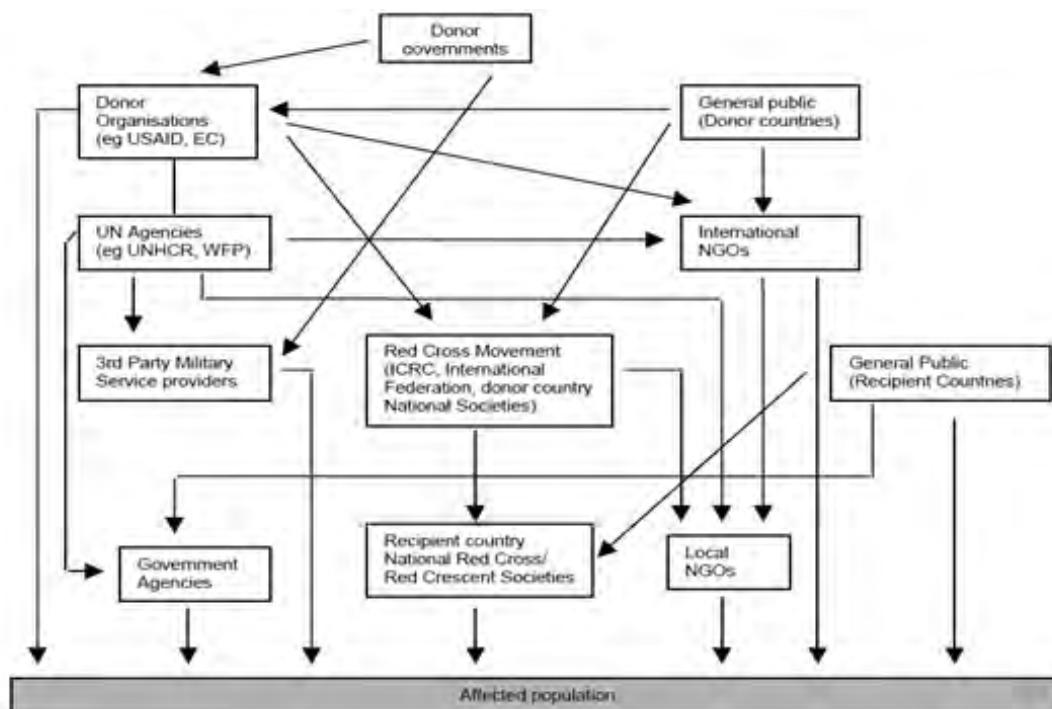
²⁶ Rihani, “Implications of adopting a complexity framework for development,” p134

²⁷ Rihani, “Complexity theory: a new framework for development is in the offing,” p.55

²⁸ *Ibid* p.137

found in international development cooperation itself, such as the struggle between humanitarian motives and economic interests, indicate room for these diverse agents from both donor and recipient countries to form new networks²⁹. Ultimately, these networks and interactions found within the civil society, or micromobilization led by the diverse agents, now affect and challenge structures at the macro level³⁰.

Despite the level of actual complexity, much criticism has been directed at a bias towards and reliance on simplistic models that pervade the aid system. As shown in Table 1, at the global level there are a number of competing and overlapping institutions that shape global social policies – the agencies of the United Nations, Bretton Woods organizations and to name a few – not to mention businesses, broader civil society organizations, NGOs, NODDs (non-DAC-donors), and other private actors which are increasingly involved in the process³¹. This signals a pressing need to better understand the complexities found in the current aid structures and through it enhance the quality of aid practices.



Source: <http://www.oecd.org/dataoecd/9/50/2667294.pdf>.

<Picture 2: Resource flows within the international relief system>

Loosely Coupled Systems

²⁹ Kong and Lim, Let's Build A New World Order: Tripartite Dynamics of Inter-State System, World Capitalist Economy, and Global Civil Society; Kim, The Social Construction of International Development Cooperation: The Politics of Global Governance and Network Complexities p.9

³⁰ Kong and Lim, Let's Build A New World Order: Tripartite Dynamics of Inter-State System, World Capitalist Economy, and Global Civil Society; Urry, Global Complexity

³¹ Deacon, Global Social Policy and Governance pp143-144

At the heart of all complexity phenomena there is a network of elements and dimensions, and the degrees of interconnectedness, interdependence or patterns of interaction among them are therefore central to understanding complex systems³². Here, the term “loosely coupled systems³³” specifically describes the relatively low degree of interdependence between the elements that form an organization. If elements are loosely coupled, they are responsive to each other but each also preserves its own identity and distinctive features.

One main example of loosely coupled systems has been vividly portrayed through the case of an educational organization, more specifically through the example of the counselor's office which is loosely coupled to the principal's office³⁴. Although most perceive that the principal and the counselor are somehow attached, each office holds its own identity and separateness in that their attachment may be “circumscribed, infrequent, weak in its mutual affects, unimportant, and/or slow to respond.” Keohane and Victor have also applied the concept of loosely coupled systems in explaining the characteristics of a regime complex for climate change. “Semi-hierarchical regimes” are those situated between the spectrum that display fully integrated institutions and hierarchy at one end, and highly fragmented collections of institutions with no identifiable linkages at the other. It has no clear hierarchy or overall architecture, yet many of its elements are linked in complementary ways³⁵.

Although elements of an organization may neither be tightly connected, nor explicitly bounded, this does not necessarily affect its stability. In other words, independent elements of the organization would work harmoniously while remaining physically distinctive. From an organizational perspective, the concept suggests flexibility – even those that seem ideologically incompatible can join forces and create need-based, composite services regarding a social issue³⁶. However, the flip-side of the same argument would be that their incompatibility and mere nominal structural links could lead to a quicker disassembling of the exchange relationship. Furthermore, in such structures, rules are often violated, decisions are often unimplemented, or if implemented have uncertain consequences, display problematic inefficiencies, and evaluation systems are subverted or rendered so vague as to provide little coordination³⁷. There is plenty of slack in terms of time, resources and organizational capacity³⁸. Elements influence each other over longer timeframes, and in more subtle ways.

However, earlier work suggests the dysfunctions of loose coupling need not be

³² Overseas Development Institute, “Exploring the science of complexity: Ideas and implications for development and humanitarian efforts (Working Paper)” pp.9-15

³³ Orton Douglas & Karl Weick, “Loosely Coupled Systems: A Reconceptualization”

³⁴ Weick, K, “Educational Organizations as Loosely Coupled Systems”

³⁵ Keohane, R & Victor, D, “The Regime Complex for Climate Change”

³⁶ Sharp, C, “Theoretical and Practical Application of Loose Coupling: a Study of Criminal Justice Agencies in the State of Florida”

³⁷ Meyer, J & Rowan, B, “Institutionalized Organizations: Formal Structure as Myth and Ceremony”

³⁸ Urry, J. Global Complex systems

overemphasized, in that it allows some parts of the organization to persist. Similar findings have been made in the study of social structures, such as Hirschman's study on the functions of "slack,"³⁹ defined as a gap of a given magnitude between actual and potential performance of individuals, firms and organizations. "Slack" permits firms to ride out adverse market or other developments as it acts like a reserve – excess costs will be cut, innovations will be more easily introduced. In political systems, "slack" is found to contribute to stability and flexibility. Granovetter's survey of job seekers also suggests "the strength of weak ties"⁴⁰, whereby a "tie" is defined as a combination of the amount of time, the emotional intensity, the intimacy (mutual confiding), and the reciprocal services. Findings conclude that weak ties, while often denounced, are in fact indispensable in generating opportunities. Strong ties, on the other hand, were found to bring overall fragmentation.

III. Loosely coupled systems in the aid industry

There are noticeable characteristics of loosely coupled systems that overlap with less interdependence found in partnerships and coordination between autonomous agencies in the aid industry. Several features of the government-NGO relationships found among DAC members reflect the "paradoxical nature" of *loosely* coupled – a state which arises from the implied tension between "determinacy (coupling) and indeterminacy (looseness)"⁴¹.

For the sake of better accountability and effectiveness in justifying their aid policies, governments have continuously tried to avoid resorting to extremes⁴². That is, incorporating NGOs or at times check and balancing them in the policy making process. NGOs, in turn, have struggled to maintain autonomy while increasing cooperation with government agents. In addition, within the structures of multi-level governance, the networks comprised of various NGOs at multi levels are still scattered, having not yet found "a comparably unifying culture, organization structure, and participation," around which to stimulate universal support⁴³. Overall, governments and NGOs each hold their share of incentives and challenges in cooperating with each other, resulting in a neither tightly bound nor completely decoupled relationship.

Incoherent agenda of NGOs as barriers to entry

³⁹ Hirschman, Exit, Voice and Loyalty

⁴⁰ Granovetter, the Strength of Weak Ties

⁴¹ Beekun & Glick, "Organization Structure from a Loose Coupling Perspective: A Multidimensional Approach," p.228

⁴² Held and Koenig-Archibugi, Taming Globalization: Frontiers of Governance. pp. 130-159. (as cited in Kim, The Social Construction of International Development Cooperation: The Politics of Global Governance and Network Complexities

⁴³ Kong and Lim, Let's Build A New World Order: Tripartite Dynamics of Inter-State System, World Capitalist Economy, and Global Civil Society, p.14

In assessing the new Busan Partnership, INTRAC found that contradictory demands among NGOs have in fact acted as barriers to entry to the HLFs. During the preparation period of the last HLF, it was implied that the large number of overlapping NGOs would be granted entry to the debate based on certain conditions – one of which was that they somehow develop a coherent agenda. Such conditions, however, demanded time and effort, resulting in struggles to articulate their thoughts around new paradigms and new demands that were “extremely woolly and in places contradictory.”

One example stated by INTRAC is the diverting views on conditionality – an issue still under fierce debate. On one hand, many CSOs demand an end to conditions attached to aid, as previously stated in the 16 recommendations that were put forward by a broad coalition of over 380 CSOs from 80 countries in advance of the third HLF⁴⁴. In its assessment of AAA, BetterAid also introduced recommendation 2 – to end all donor-imposed policy conditionality – based on claims that it weakens democratic ownership (or the right to self-determination) and the right to freely participate and decide on the use of resources in developing countries. BetterAid also pointed out that conditionality undercuts internal accountability of governments towards its citizens and parliaments⁴⁵. On the other hand, certain NGOs still expect donors to use aid to hold recipient governments accountable, notably over human rights and governance abuses⁴⁶. As a result, such incoherent agendas and overlapping functions have challenged NGOs’ access to core decision-making processes.

Incentives to preserve NGO autonomy

The strong interests of NGOs to preserve autonomy also serve as incentives to distance themselves from governments. Initially, NGOs have long demanded that donors offer and nurture a better environment for NGO aid practices. Governments in turn have largely agreed to these demands, recognizing the need to continue financial support and enhance the sustainability and legitimacy of NGOs. Thus, the involvement of the civil society in policy dialogue and political advocacy have mostly been viewed to be a growth area, with most donors seeking to support spaces to enable civil society involvement, both at the domestic and international level⁴⁷.

However, NGOs have also demanded that they be recognized as *independent* actors in the aid industry, refusing to be rendered as mere executors of government aid policies. Prior to the fourth HLF, Open Forum outlined recommendations from the civil society regarding substantial progress in four interdependent areas of reform⁴⁸, one of which was that “governments should affirm and ensure

⁴⁴ Better Aid Coordinating Group, “An assessment of the AAA from a civil society perspective,” p.2

⁴⁵ Ibid p.6

⁴⁶ INTRAC, “The Busan Partnership: implications for civil society,” pp. 12, 13

⁴⁷ Ibid pp.13-14

⁴⁸ Better Aid & Open Forum for CSO Development Effectiveness, “CSOs on the road to Busan: Key messages

participation and full diversity of CSOs as independent development actors in their own right.” This was also included later in the final draft of the Busan Partnership.

With further interdependence, many NGOs fear of being drawn into the priorities of donors, sometimes to the detriment of their original aims, detracting them from the role of pressuring better donor–government–citizen accountability in aid practices⁴⁹. Moreover, recent criticisms claim a tradeoff between the priorities of the aid effectiveness approach and efforts to strengthen a diverse and vibrant civil society. Critics have pointed out that too much emphasis on donor harmonization and alignment between aid policies of the government and civil society may in fact deter the currently distinctive role of NGOs⁵⁰ as watchdogs and innovators. A mechanistic application of the aid effectiveness principles that disregards the characteristics of NGOs would render NGOs as mere “subcontractors” or tools through which to execute government policies.

Different priorities, a quicker disassembling relationship

As reflected in DAC data, it is evident that priority sets and core philosophies of aid practices vary among governments and NGOs. Efforts in aid practices therefore have been made largely so as to make most of the distinctive contributions made by each group and find room for cooperation. Such practices are good real-life examples of the flexibility of loose coupling, as mentioned in the previous chapter, which allows for somewhat incompatible systems to cooperate on a particular issue of importance.

However, the flip-side of the flexibility found in loosely coupled systems is found in the actual cooperative state of DAC donors and NGOs. Donors acknowledge that actually implementing the HLF commitments on the inclusion of civil society can be “*ad hoc*, perhaps even tokenistic” or at times stuck at “the rhetoric of mere involvement of, or consultation with CSOs⁵¹.”

Evidence of such confessions is found in DAC data on NGO funding. DAC currently collects data on two official types of development financing in assessing the member’s level of cooperation with NGOs: aid channeled *to* NGOs and aid *through* NGOs. Aid *to* NGOs covers official funds to be used at their discretion, while aid *through* NGOs covers official funds made available on behalf of the official sector, in connection with purposes designated by the official sector, or known to and approved by the official sector. Research claims that in the former, NGOs are more recognized by both the recipient and DAC donor as a rights-based independent aid agent, as the NGOs themselves exclusively decide priorities, plans, strategy and approach, whether it be inconsistent with the

and proposals,” pp.6-7

⁴⁹ INTRAC, “Legitimacy and Transparency for NGOs”

⁵⁰ KIPA, “Research on Enhancing CSO Cooperation in ODA Policies”

⁵¹ INTRAC, “Civil Society Policy and Practice in Donor Agencies: an overview report commissioned by DFID,” p.11

priorities and plans of the donor or government⁵². In the latter, however, it is likely that the NGO becomes a channel through which aid is delivered to the recipient country.

Although DAC has reported an overall increase in the aggregate amount of aid made to and through NGOs, data shows that more aid goes *through* NGOs as project and program funding than *to* NGOs as core support. In the case of the US, in 2009, the amount of aid made through NGOs was more than twofold of the aid given to NGOs⁵³. In their own assessment of the survey, DAC has voiced concerns on a daunting possibility that donor countries still perceive NGOs as mere deliverers. In other words, when faced with two different priority sets, donors are still likely to prefer their own. Thus, such diverting approaches to aid between donor and NGO are more likely to result in occasional fallouts rather than a continuous, tightly-bound relationship.

Government-imposed heavy conditions on NGO funding

Although DAC members are gradually increasing NGO support, the conditions required for financing are still complex and demanding. This brings into question the underlining level of the reluctance among donors in recognizing NGOs as equal partners.

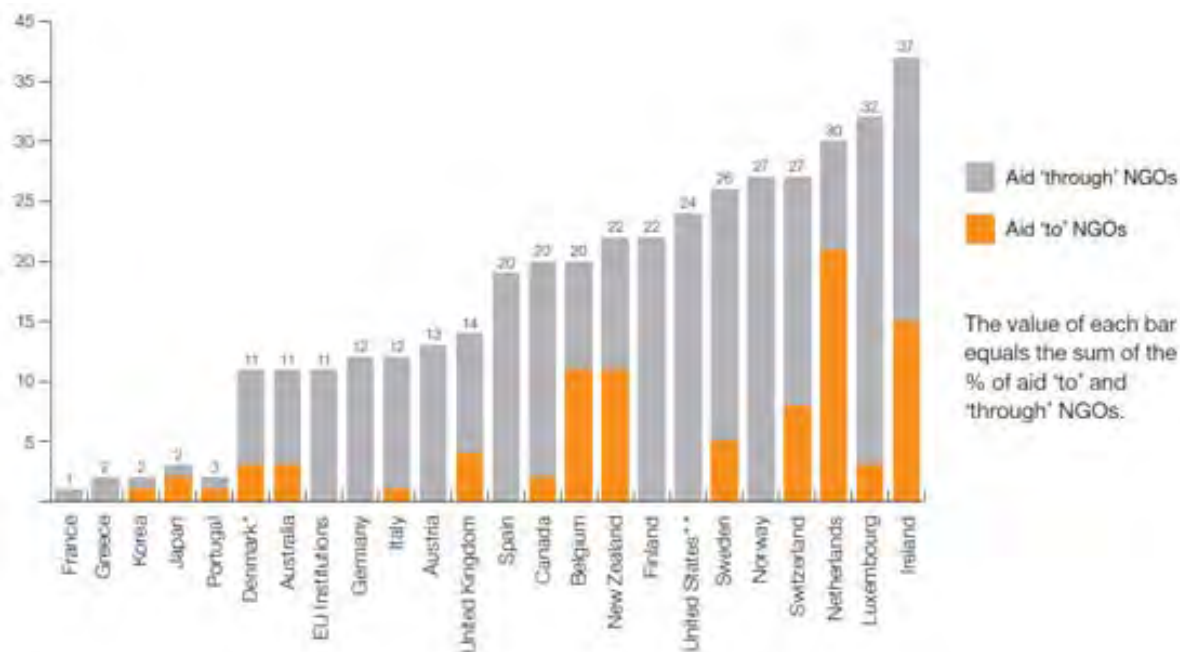
Despite the upsurge of NGO recognition that followed the 1990s, NGOs still face financial difficulties which raise their vulnerability to government support. Moreover, NGOs have cited the harsh and heavy conditions for funding as a major challenge in their work with donors⁵⁴. They view that this practice goes bluntly against HLF commitments to recognize CSOs as independent development actors in their own right and to create an enabling environment. CSOs claim that they have had to increasingly confront measures by which they are “harassed, intimidated and criminalized, limited in reaching full potential as development actors and ultimately undermining the development effectiveness of all development actors⁵⁵.”

⁵² Worthington, A & Pipa, T, “International NGOs and Foundations: Essential Partners in Creating and Effective Architecture in Making Development Aid more Effective”

⁵³ OECD, “How DAC Members Work With Civil Society Organizations: an Overview,” pp27-31

⁵⁴ Ibid

⁵⁵ Better Aid & Open Forum for CSO Development Effectiveness, “CSOs on the road to Busan: Key messages and proposals” p.6



Source: DAC CRS

Note: * Denotes where 25% or more of channel codes are blank/not completed. ** Data for the United States on ODA through NGOs are incomplete.

<Figure2: Percentage of bilateral ODA allocated to and through NGOs by DAC member, 2009>

According to DAC statistics, in 2009, members (excluding the EU institutions) allocated USD 15.5 billion or 13% of total aid disbursements to and through NGOs, but with the individual ratio of bilateral aid channeled to and through NGOs ranging from 32% (Luxemburg) to 2% (Korea, Ireland, etc.) per member country. Heavy conditions imposed on government funding to NGOs retard the growth of the civil society, especially those that are relatively new or whose core values do not necessarily correspond to the government' main interests. This somewhat abusive practice of governments may be viewed as a useful means through which to keep the growing influence of NGOs at bay. The result is likely to be an imbalanced relationship between government and NGOs – drifting farther away from the possibility of building tighter ties.

IV. Policy Recommendations

So far, this paper has discussed the transformation of governance structures in the aid industry after the HLFs. Moreover, findings have led to a redefinition of the relationship between NGOs and governments as “loosely coupled systems,” situated within the complex network of aid architecture. As previously mentioned, however, the potential dysfunctions of the loosely coupled relationship need not overshadow its potential functions. Similar claims are found in Brinkerhoff’s study, which identifies four types of “government-nonprofit partnerships” based on two criteria: “Mutuality” and

“Organization identity”⁵⁶. “Mutuality” is defined as interdependence or mutual dependence “which entails respective rights and responsibilities of each actor to the other’s,” in addition to a strong commitment and support for the joint goals, mission and objectives of the partnership. “Organization identity” describes features which are “distinctive and enduring” in a particular organization, and something that is believed to be essential to long-term success. Out of the four types, the ideal state, or “Partnership,” is found where both Mutuality and Organizational Identity of the government and nonprofit organization are strong.

Despite the many challenges and barriers that remain, the looseness of the relationship itself indicates room for effective cooperation based on each actor’s distinctive competitive advantage. Thus, the functions of a loosely coupled relationship should be maintained and strengthened through efforts from both ends.

First, governments should strengthen HLF commitments to ensure “an enabling environment for NGOs,” so as to strengthen the autonomy and comparative advantages of NGOs. DAC data, as previously shown, has exposed the superficial nature of government support methods to NGOs. At times, NGOs are rendered as mere deliverers of aid, or in some extreme cases, the complex conditions of financial support deter the growth of the civil society.

		Mutuality	
		Low	High
Organizational Identity	High	2 Contracting	1 Partnership
	Low	3 Extension	4 Co-optation & Gradual Absorption

Source: Brinkerhoff, Government-Nonprofit Partnership: A Defining Framework

<Picture 3: Partnership model>

Suggestions for better government support systems can be found in Brinkerhoff’s example of the “Partnership,” established between INMED (International Medical Services for Health) Brasil, a separately registered Brazilian NGO, and the Ministry of Education and the Ministry of Health. INMED works closely and successfully with both ministries in treating children for parasitic infection, teaching them about health and hygiene to prevent reinfection, and training them to take these health lessons to their families and communities. As this paper earlier concluded, in “loosely coupled

⁵⁶ Brinkerhoff, Government-Nonprofit Partnership: A Defining Framework

systems,” even those that seem ideologically incompatible can join forces and create need-based, composite services regarding a social issue⁵⁷. Similarly, the INMED partnership is also formed “on a case-by-case basis as need and opportunities arise.” Here, the government agencies base their policies on INMED’s existing program, information and expertise, rather than imposing their own structure or requirements. The autonomy of the NGO is preserved in that INMED Brasil is free to proactively lead the partnership based on its own findings. Meanwhile, the main strategy of INMED’s health program relies heavily on access to the government education system – granted by the government agencies involved. Here, the comparative advantages of both actors are maximized through an adequate level of interdependence and distinctiveness. Although INMED relies on core government support, this does not automatically imply that the NGO is to be *vertically* placed under existing government structures. Instead, it continues to function fully as *an independent partner* and a provider of invaluable information.

Second, NGOs should seek coordination amongst themselves to ensure innovation and better accountability in aid practices. The flexibility granted in “loosely coupled systems” is thus a rare and essential gift amidst the pressures of today’s globalizing world. Global governance in the aid industry is continuously characterized as an ever more complex network of stakeholders, full of unexpected challenges. Here, there is a high demand for innovative and timely methods. Thus, within the loosely coupled nature of government-NGO relationships, NGOs would be granted room to preserve identity and maximize the ability to continuously innovate. This would also ensure that agents of aid are held accountable for their actions. As previously stated, NGOs are cautious of being overwhelmed by the priorities of donors and are anxious to maintain the distinctive from the role of pressuring better donor–government–citizen accountability in aid practices. The role of watchdog and promoter of advocacy is core to the management philosophy of NGOs.

If NGOs are to successfully uphold such roles, however, the overlapping functions and incoherent agendas of NGOs should first display better coordination. Through their research on accountability in the World Bank, a massive multilateral aid donor, Fox and Brown identify essential advocacy activities from NGOs which have “pro-accountability impact on the institution⁵⁸.” These activities are largely based on the relationship between the donor country and local NGOs. The NGO advocacy groups in each donor country lobby governments, so that their country’s executive directors may influence the World Bank. Here, the level of influence depends largely on the NGO’s ability to align with the executive and legislative branches of their own governments.

Limited access to the previous HLFs has proved that a lack of coherency among NGO demands may negatively influence the establishment of an effective government-NGO relationship.

⁵⁷ Sharp, C, “Theoretical and Practical Application of Loose Coupling: a Study of Criminal Justice Agencies in the State of Florida”

⁵⁸ Fox and Brown, the Struggle for Accountability

The lack of coordination shifts attention away from the common goal – to enhance the quality of aid practices – to competition conflict. If NGOs hope to form effective “Partnerships” with governments, initial efforts must be made amongst the NGOs themselves to develop a coherent agenda.

Conclusion

Over the preceding high level forums, the global governance in the aid industry has transformed to deepen its recognition of the roles of NGOs. HLF commitments made in Paris, Accra and Busan have outlined areas for strengthened cooperation between government and NGOs to provide an enabling environment in which to nurture NGOs as independent aid agencies. The unique roles of NGOs in enhancing the overall quality of aid practices have been recognized widely by the OECD DAC and presented better opportunities for exchange of resources and the building of ties between governments and NGOs.

Despite global initiatives and the overall increase in government-NGO cooperation among DAC donors, however, certain countries have shown diverging tendencies in that they still hold certain barriers that deter NGOs from entering the playing field as an equal partner. Reluctance from the NGOs’ side to be rendered a mere tool for government-led aid policies has also functioned as incentives to withhold further interdependence.

Such realities found in the government-NGO relationship within development cooperation can thus be better examined through complexity science. From this perspective, the decisions made by an external or high-level authority do not guarantee the actual implementation of such decisions. Patterns in behavior and order are instead determined by the interdependence among the elements involved, which form themselves into self-organized states without any prior design.

From this viewpoint, the relationship between government and donor can further be characterized as “loosely coupled systems.” By this definition, governments and donors are responsive to each other and can cooperate on certain issues of pressing concern. However, such exchange relationships, once formed, are likely to dissolve quicker than say relationships found in tightly coupled systems due to conflicting ideologies and priority sets. Thus, the elements of loosely coupled systems are likely to preserve each of its own distinctive identities, while cooperating with each other on a certain basis.

Findings of this paper conclude that government-NGO relationships are likely to remain as loosely coupled systems due to incoherent agenda of NGOs as barriers to entry, incentives of NGOs to preserve autonomy, different priorities and government-imposed heavy conditions on NGO funding. Therefore, more realistic policy recommendations suggest that governments and NGOs are better off not struggling to meld their distinctive features together but maintaining their current level of interdependence. More specifically, governments and NGOs should maintain their positions as critical

and objective third parties to check and balance each other, ultimately enhancing the quality of aid practices. Meanwhile, governments should provide adequate means of financial funding to NGOs so as to ensure an enabling environment from which the civil society can effectively monitor the aid policies of governments and fill in the gaps of global governance.

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Appendix

Table 1: Aid through NGOs, 2007-09, USD million (disbursements)

DAC Member	2007	2008	2009
Australia	157	2	195
Austria	75	68	67
Belgium	113	137	155
Canada	-	217	585
Denmark	96	164	126
Finland	128	150	173
France	28	33	106
Germany	788	940	993
Greece	-	1	5
Ireland	147	156	153
Italy	109	121	118
Japan	5	58	81
Korea	1	1	4
Luxemburg	-	74	77
Netherlands	479	543	453
New Zealand	0	28	25
Norway	784	853	863
Portugal	3	4	5
Spain	-	1439	922
Sweden	430	494	640
Switzerland	262	319	340
United Kingdom	-	637	745
United States	3267	4438	6239
EU Institutions	639	759	1455
Grand Total	7509	11637	144523

Source: DAC Creditor Reporting System

Note: "-" denotes where 25% or more of channel codes are blank/not completed.

Table 2: Aid to NGOs, 2007-09, USD million (disbursements)

DAC Member	2007	2008	2009
Australia	14	190	58
Austria	1	2	2
Belgium	146	168	181
Canada	0	0	55
Denmark	108	43	55
Finland	8	10	3
France	54	58	12
Germany	0	0	0
Greece	0	0	0
Ireland	150	192	102
Italy	21	2	8
Japan	3	137	240
Korea	7	9	8
Luxemburg	0	8	8
Netherlands	1011	1222	1027
New Zealand	0	27	24
Norway	0	0	0
Portugal	3	7	4
Spain	0	29	20
Sweden	295	271	137
Switzerland	132	135	140
United Kingdom	963	345	323
United States	0		0
EU Institutions	0	2	0
Grand Total	2917	2857	2406

Source: DAC Creditor Reporting System

Note: "-" denotes where 25% or more of channel codes are blank/not completed.

