*To Civil Society Activists
Working for a Better World
Everywhere*

Contents

Acknowledgments

I first began to grapple with the issues of civil society legitimacy and accountability more than a decade ago when Jonny Fox and I coordinated a series of studies of NGO and social movement campaigns to influence World Bank projects and policies. In exploring those "struggles for accountability" I began to understand how credibility challenges can become central for civil society organizations.

Soon after I came to the Hauser Center, I coordinated a series of explorations of credibility issues with international NGOs. An initial project examined accountability issues faced by international NGOs based in Japan and the United States. Our Japanese partners, Professors Tatsuya Watanabe and Takayoshi Amenomori, and leaders from several Japanese NGOs educated me about Japanese perspectives on the issue, and leaders from U.S. NGOs provided their perspectives as well. A second project, in partnership with the CIVICUS World Alliance for Citizen Participation, examined experience with credibility issues around the world and began to disseminate ideas and innovations for dealing with them. I am indebted to Finn Heinrich, David Kalete, and Kumi Naidoo at CIVICUS and to Jagadananda at the Center for Youth and Social Development for their contributions to my understanding of credibility innovations around the world. The Sasakawa Peace Foundation supported both these projects, and I am very grateful to the Foundation and its program officers, Yayoi Tanaka and Taka Nanri, for supporting much of the work on which this book is based.

In another initiative, CIVICUS and the Hauser Center convened and facilitated annual workshops for leaders of international advocacy organizations and networks (IANGOs). The IANGO Workshop meetings offered opportunities for chief executives to learn from each other's experience and to grapple with shared challenges. The Workshop identified credibility as a critical issue at its first meeting, and over the next three years its members developed an International NGO Accountability Charter (discussed in Chapter Six). I am indebted to Workshop members and particularly to Peter Eigen, Burkhard Gnaerig, Jeremy Hobbs, Irene Khan, and Gerd Leipold for their insights.

I have been granted opportunities to present and discuss many elements of this book at too many conferences and university seminars to list. Participation in those events has been very helpful in crystallizing many of the ideas presented here.

The Hauser Center has been a wonderful place to pursue these projects. It has provided a lively and creative community of colleagues with very diverse perspectives in which to debate emerging ideas. Mark Moore and Jim Honan were vital to the various legitimacy and accountability projects, and Srilatha Batliwala and Sanjeev Khagram were central to convening and facilitating the IANGOs Workshop. Sarah Alvord, Marais Canali, and Erin Belitskus played pivotal roles in organizing and supporting the early projects. Laura Ax has been invaluable as a project manager and as an editor of this book.

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I have also been the beneficiary of monthly discussions with the Brookline Circle, a "spiritual study group" of colleagues interested in organizational and social development as well as the personal journeys of its members. Lee Bolman, Tim Hall, Todd Jick, Adam Kahane, Bill Kahn, Phil Mirvis, and Barry Oshry have continued to support, challenge, humor, tease and advise me (and each other) for almost thirty years.

Last but hardly least, my spouse, Jane Covey, has made writing this book, and much else in my life, possible. She has tolerated absence, inattention, grumpiness, and endless hours of monopolizing computers. She has tactfully suggested that my more convoluted flights of academic jargon might be lost on audiences I want to reach. And she has had faith that I had something to say even when I was not so sure. This book (not to mention the rest of my life) would be very different without her humor, challenge, and support.

List of Illustrations

Civil Society Legitimacy and Accountability

Civil society includes a wide range of organizations and associations that are organized around values and visions that mobilize social energies. These organizations include nonprofit and nongovernmental organizations (NGOs), churches, unions, professional networks, social movements, art museums, and neighborhood associations. Civil society organizations (CSOs) can be distinguished from the government agencies of the state sector, the corporations and businesses of the market sector, and the kinship networks of the family sector.[1] In the last two decades, CSOs have emerged as central actors in governance and social problem solving on many different issues in many countries and regions. Some of the most widely visible CSOs work across national and regional boundaries to respond to problems that have not been solved by existing transnational institutions.

The International Campaign to Ban Landmines, for example, was launched in 1992 by six CSOs concerned with the devastating impact of landmines, which often persists long after the conflict that spawned them is over. The Campaign sought an international ban on the production and use of landmines. They also sought an international fund to support victims and promote landmine clearance, with mandatory contributions to come from countries that produced and disseminated mines. They recruited other NGOs to organize national campaigns, raise public awareness of the consequences of current landmine policies, and build support in many countries for a total ban. Within a few years, more than 300 civil society organizations and a number of governments had agreed to support a total ban on landmines. In 1997, in spite of determined resistance from several large countries including the United States, 122 countries signed a treaty in Ottawa banning landmines. Later that year the Campaign and its coordinator, Jody Williams, were awarded the Nobel Peace Prize. At that time, the Campaign could not accept the check, since it had neither a formal legal existence nor a bank account.[2]

In order to have impacts like this, CSOs must establish their credibility as international actors whose views are important for other international

1

actors and decisions. *Credibility* refers to attributes such as trustworthiness and believability in the eyes of other actors.[3] This analysis focuses on two aspects of credibility for CSOs: their legitimacy in the wider context and their accountability to key stakeholders. *Legitimacy* means that CSOs are seen to be appropriate and accepted actors, whose activities can be justified in terms of the values, norms, laws, and expectations of their social contexts. The Landmines Campaign solved the legitimacy problem—the Nobel Prize is an impressive recognition of the global credibility and acceptance it had gained by the end of 1997. But the Campaign did not start out as a Nobel Prize winner. It had to mobilize widespread public recognition of and concern for the disastrous consequences of landmines in many countries, and then use that awareness to encourage skeptical governments to participate in a transnational treaty-making process.

Accountability refers to the obligation to answer for one's performance to stakeholders who can reward or punish it. Clear accountability to some stakeholders can create or reinforce an organization's legitimacy. The Landmines Campaign sought to establish new standards of accountability for the producers and users of landmines. But to accomplish that goal, the Campaign itself had to be accountable to important performance standards, such as providing high-quality research information, competent policy analysis, and persuasive recommendations. Accountability is often complex for CSOs. Unlike businesses' accountability to owners or governments' primary accountability to voters, CSOs' accountability is often fragmented among many stakeholders—beneficiaries, donors, regulators, staffs, and allies.

In many countries, CSOs are more trusted by the general public than are many other agencies, including business and government.[4] This trust appears to be grounded, at least in part, in the fact that civil society leaders have less to gain in abusing their positions: Business leaders might maximize their own gains at the expense of the business or its customers, and government officials might use their power in their own self-interest without careful controls. CSOs, on the other hand, depend on their reputations for probity and performance to mobilize resources. They have fewer opportunities to convert resources into self-oriented uses. On the other hand, recent experience suggests that some civil society leaders may also be guilty of self-interested behavior, even though the rewards may be less dramatic than they are in other sectors.

As civil society actors have become more visible and more influential in national and international affairs, more questions have been raised about their legitimacy and accountability. *This book proposes concepts for understanding civil society legitimacy and accountability, particularly in transnational contexts, and it develops approaches to assessing and enhancing the legitimacy and accountability of civil society organizations and interorganizational domains.* This

framework is intended to be useful to leaders concerned with challenges to civil society credibility and to researchers interested in the roles of civil society in the transnational context.

This chapter briefly explores why the credibility of CSOs has come under challenge in the last few years, the sources of standards for legitimacy and accountability, and the centrality of civil society values, missions, and strategies for establishing the organizations' credibility. It describes the special challenges faced by CSOs concerned with transnational activity, reviews the central argument of the book, and explains how the book is organized to advance that argument.

Why Legitimacy and Accountability Now?

Why are credibility issues problematic for CSOs? In part the issues are inherent in the nature of civil society. In part they are a result of circumstances that have emerged in the last twenty-five years.[5]

The *nature of civil society* contributes to questions about legitimacy and accountability in several ways. First, CSOs often mobilize people and resources through commitments to social values and missions that are considered to enhance the public good. Their reputations as legitimate and accountable stewards of those missions are vital to their ability to recruit staff and allies to their causes. Mahatma Gandhi and the Indian Independence Movement, Martin Luther King, Jr., and the Civil Rights Movement, and Lech Wałęsa and the Solidarity Movement all depended on their legitimacy as embodiments of widely held social values to mobilize support and credibility. If CSOs leave questions about their legitimacy and accountability unanswered, they risk undermining organizational identities and resources that depend on values and voluntary commitments.

A second common attribute of CSOs is that they have diverse stakeholders that make competing accountability claims. Unlike a corporation, which is ultimately accountable to owners and shareholders, or a democratic government, which is accountable to voters, CSOs are not primarily accountable to any clearly defined stakeholders. They are accountable to donors for their resources, to clients for delivery of goods and services, to allies for performance of joint activities, to staff and members for meeting expectations, and to government agencies for complying with regulations. They are also accountable to their own core values and missions. Dealing with diverse accountability claims may be difficult or impossible when those stakeholders have different or contradictory interests. So accountability is a challenging problem for CSOs because of their relations to many stakeholders.[6]

A third attribute of many CSOs is their predilection for taking up issues on behalf of groups that are poor or otherwise marginalized. While this

commitment can be the basis for raising funds and support from charitable donations, it may also require challenging powerful constituencies whose interests are well served by the status quo. Those constituencies may see such challenges as irresponsible or unwise at best: Gandhi, King, and Wałęsa all took on powerful actors who regarded their criticisms as illegitimate if not outright subversive.
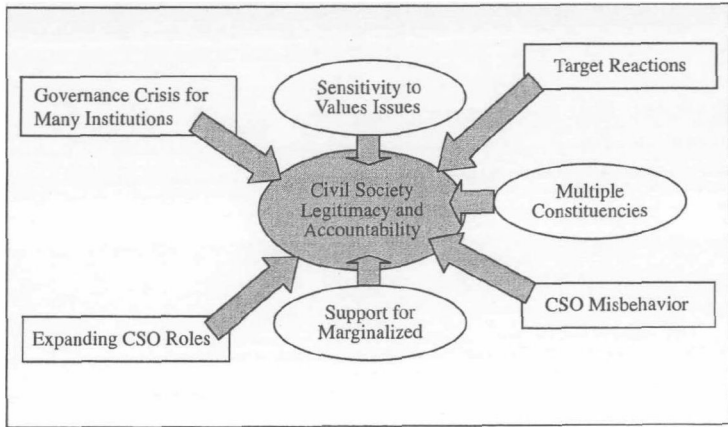
Issues of civil society legitimacy and accountability are also a result of *current forces and issues* that have emerged over the last decade. First, many questions about civil society reflect concerns about the legitimacy and accountability of a wide range of institutions. Public distrust that arises from corruption in government agencies or unacceptable practices by business organizations is often as urgent as concerns about civil society.[7] Illegal activities at Enron in the United States or Bofors in India raise questions about both business and government accountability and affect public perceptions of many institutions. In part the growing concern about legitimacy and accountability in CSOs reflects the general "crisis of governance" for many institutions.

Second, some credibility questions grow out of problematic behavior on the part of some CSOs. Publicity about alleged board self-dealing at the Nature Conservancy or Greenpeace's errors in analyzing the Brent Spar oil rig in the North Sea raise questions about whether CSOs live up to their professed values and whether mechanisms exist to enforce minimum standards of practice. CSOs, like many other organizations, are not uniformly altruistic, nor are their actions always consistent with their values.[8] Some challenges to CSO legitimacy grow out of their own behavior.

Third, some current challenges to CSO legitimacy and accountability come from the growing number of agencies that have been targets of civil society campaigns. When CSOs exert political and social pressure on powerful interests, they sometimes provoke counterattacks. Government agencies charged with corruption, corporations criticized for business practices, and intergovernmental institutions challenged to alter projects or policies have often questioned the legitimacy and the accountability of their CSO challengers.[9] It is important that CSOs explain their legitimacy and accountability to key stakeholders, but sometimes those criticisms are inspired by self-interested motives.

All these demands on CSOs have been further complicated by their expanding roles in social development and change. Civil society actors in the past have often been seen as "gap fillers," providing services not available from the market or the state. However, in recent years they have increasingly taken on capacity building and policy advocacy roles that make them participants in multisectoral governance processes.[10] While much civil society work has historically been focused on local problems, CSOs now increasingly work at national and transnational levels as well.[11]

Figure 1.1 Sources of Legitimacy and Accountability Questions

Their emerging roles in large-scale initiatives require new attention to the issues of legitimacy and accountability.

These factors are summarized in Figure 1.1. Factors inherent in the nature of civil society are in ovals close to the legitimacy and accountability issue; factors that have emerged in recent years are in rectangles slightly further from the center. In many cases they are related, of course. In general, the more factors that are pertinent to a given CSO, the more the need for attention to legitimacy and accountability issues. These forces may be particularly important in areas of complex and polarized social problems with relatively few effective institutionalized arrangements for problem solving. Thus emerging problems in transnational contexts, for example, offer fertile areas for civil society intervention, but they are also areas in which legitimacy and accountability questions are particularly acute.

Sources of Legitimacy and Accountability

Expectations about legitimacy and accountability can emerge at several levels of analysis. Perhaps the best understood level is the articulation of *societal ideals* that are established by laws or widely held social norms and expectations. CSOs are expected to obey basic laws and norms of the societies in which they are embedded, and governments or public opinion may set more specific expectations to regulate their formation, resources, and activities. When a government legislates standards, those standards

become legal expectations for civil society. Strongly held social norms and "customs having the force of law" may also become societal ideals. When very high salaries for chief executives of some charitable organizations in the United States became public knowledge, for example, the legitimacy of those organizations declined because those salaries violated widely held expectations about "reasonable compensation" in tax-exempt charitable agencies.

Rigorous state regulation of CSOs has been relatively infrequent, however. In part this lack of attention reflects civil society's relative obscurity in many countries. It may also reflect interest in preserving the flexibility and ease of entry that enable civil societies to be a source of social energy and innovation. But in many countries, concern with regulating CSOs has increased as their activities have become more influential and they have become more visible. Initiatives to create restrictive legislation by many governments have created concern among CSOs. Accountability has emerged in the last five years as one of the most important challenges facing civil societies around the world.[12]

Where societal ideals remain ill-defined, groups of organizations concerned with some common area of activity may agree on *negotiated domain standards* that mobilize their combined experience to define legitimate practices and set standards of accountability. The resulting standards may be used to govern the behavior of domain members, even without the standards being embedded in formal legislation backed by the power of the state. Agreement within the domain may be a basis for building wider agreement with other stakeholders in the longer term.

Standards can be negotiated to set accountability expectations in different forms of multiorganization domains. Communities of organizations that carry out similar activities can set standards to define legitimate behavior in that *sector domain*. The Credibility Alliance in India, for example, has convened a nationwide series of consultations to develop standards for Indian development NGOs.[13] Coalitions of actors at different levels, from the local to the global, may negotiate expectations to govern their relations with each other in carrying out policy *campaigns*. Alliances among indigenous groups, national NGOs, and international advocacy NGOs to challenge the construction of large dams such as the Narmada project have built expectations that govern international campaigns.[14] Or *cross-sector partnerships* can organize actors from different sectors—business, government, unions, environmentalists, and so on—to negotiate domain standards that enable collective action on shared problems by actors that might otherwise be in conflict. The World Commission on Dams, for example, brought together government officials, business leaders, civil society activists, and academics to jointly assess experience with large dams and to propose standards for future dam construction

processes after it became clear that their ongoing conflicts were producing mutually destructive stalemates.[15] Such multiorganization domains can solve problems that single organizations cannot—but they can also create complicated legitimacy and accountability challenges.

When domain standards have not yet been established and societal ideals leave open many possibilities, agencies may have to create their own legitimacy and accountability standards through *organizational strategic choice*.[16] Organizations often have considerable leeway in defining how accountable they will be to various stakeholders, particularly when their stakeholders vary in interests and power. Ambiguity about societal and domain standards allows space for CSO leaders to make strategic decisions about their degree of accountability to different stakeholders. Those choices have consequences, of course. Leaders cannot choose to ignore stakeholders without legal, moral, or prudential risks. Ignoring the expectations of donors and regulators, for example, can undermine a CSO's access to resources or its legal legitimacy. Ignoring the interests of clients and staff, on the other hand, can undercut the CSO's capacity to create social value. But CSOs often behave as if they had less choice than they could exercise if they gave systematic attention to their options.

In the absence of strategic choice, some stakeholders are likely to receive more attention than others. In the panoply of stakeholders that have claims on CSO accountability, large differences in formal power and resources separate wealthy donors, authoritative regulators, marginalized clients, essential allies, and senior and junior staff. It is common for CSOs to pay more attention to the claims of donors and government regulators than to those of marginalized clients or junior staff.[17] While this prioritization makes sense in some circumstances, without analysis of CSO missions and strategies it is not clear that favoring more powerful stakeholders always supports mission accomplishment.

From the point of view of CSO leaders, it is easier to influence organizational strategic choices than to negotiate multiorganization domain standards, and it is easier to influence domain standards than to shape societal ideals. This book focuses first on managing legitimacy and accountability challenges through organizational strategic choice, then on managing those challenges through domain negotiations.

The Centrality of CSO Values, Missions, and Strategies

The legitimacy of CSOs is closely tied to the central values and organizational missions that define their purposes and reasons for existence. While the claims of multiple stakeholders can create conflicting accountability claims, the nature of the CSO's mission and organizational purposes offers an important touchstone for responding to questions of

legitimacy and accountability. CSOs that create social value by producing goods and services can claim legitimacy on the basis of their production quality and quantity. CSOs that create value by building capacities of marginalized groups for self-help can claim legitimacy on the basis of demonstrated new capabilities among their clients. CSOs that create value by fostering political empowerment and policy influence for their constituents can claim legitimacy on the basis of their political impacts.

A central concern for many CSOs is the creation of a *strategy* that guides their use of limited resources to accomplish their often ambitious goals and missions. CSO missions and strategies define the public value the CSOs will create and how they will create it. There are a variety of approaches to thinking about CSO strategies and missions.[18] "Stakeholder" perspectives, which take into account many actors who affect or are affected by organizational activities, are increasingly applied to many kinds of organizations, and they are particularly appropriate to the many constituencies concerned about CSO activities.[19] More specifically, the "strategic triangle" perspective is particularly useful for focusing the attention of CSO leaders on questions that must be examined in the course of strategic thinking about their activities.[20]

The strategic triangle focuses leaders' attention on three fundamental issues: (1) the public value the organization seeks to create, (2) the legitimacy and support it needs to survive, and (3) the operational capacity required to accomplish its mission. While each of these questions may be relatively simple to answer in itself, the challenge for CSO leaders is to craft strategies that ensure that value creation activities are consistent with expectations for legitimacy and support as well as being within the operational capacities of the agency and its partners. The importance of maintaining legitimacy and support is particularly central for organizations (including most CSOs) whose resources come from stakeholders (e.g., donors or governments) who are not necessarily the recipients of their value creation activities. But even businesses, which rely on customer payments to support their ongoing activities, are increasingly concerned about wider legitimacy and support that continues their "license to operate" in some markets.[21] Figure 1.2 presents these issues in the strategic triangle format. The triangle emphasizes the interdependence of the questions: choices at one point of the triangle have implications for the other two.

Different strategies for creating public value require different approaches to legitimacy and support and to operational capacity.[22] CSOs that create value by *providing services*, such as disaster relief and or health care, may focus considerable attention on getting donor support in emergencies and legitimacy with host governments. They will be concerned with operational capacity to move relief supplies in large quantities, often

Figure 1.2 Strategic Triangle
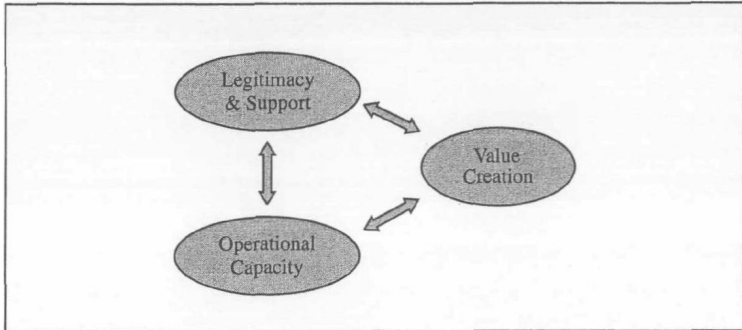
to remote settings, to provide basic services to large populations. Oxfam International, for example, moved thousands of winterized tents to victims of the Pakistan earthquake in 2005 to protect residents who had lost their homes at the beginning of the winter weather.

CSOs whose strategy emphasizes *capacity building* to enable client self-help, in contrast, often must enlist those clients in assessing needs, defining solutions, and implementing actions in order to co-produce new capacities that cannot be "injected" into passive recipients. When Oxfam builds "savings-led" microfinance programs to enhance rural women's incomes, it works closely with participants to ensure that programs are relevant and usable. So capacity building strategies can require legitimacy with, and accountability to, clients as well as funders and regulators, and operational capacities must be tailored to client needs to be effective.

CSOs that create value by *policy advocacy and institutional influence* face other questions. Political influence often depends on building legitimacy with political constituencies and target agencies. When Oxfam International advocates global policies to increase fairness in international cotton markets, for example, it builds alliances with developing country farmer organizations, international coffee corporations, and US policymakers crafting legislation on US cotton subsidies. This work requires operational capacities, such as access to media and Congressional lobbies, which are quite different from those of service-providing or capacity-building CSOs.

So CSO missions and strategies are central to defining their legitimacy and their accountabilities to various stakeholders, and strategic choices can have large impacts on the legitimacy and accountability challenges they face. CSOs that take on multiple strategies without thinking through

the implications of strategic shifts can be blindsided by serious legitimacy and accountability problems down the road.

The Transnational Arena

There has been an explosion of interest in the transnational arena with the acceleration of globalization. It is increasingly clear that economic, political, and social problems cannot be solved by focusing on their local manifestations if they are caused by international institutions, policies, and events. The terms of international trade, for example, have much to say about the economic fate of Mexican small corn farmers deluged by "free trade" corn from large US farms or West African cotton farmers who have to compete with subsidized US cotton. Growing global interdependence has increased the availability of many goods worldwide—but it has also exacerbated the differences between the rich and the poor within and across countries.

The growing importance of the transnational arena offers both opportunities and challenges to CSOs. The opportunities for influencing global governance and problem solving are unprecedented. Civil society actors are undertaking expanding roles in relief and development activities, in shaping global norms and expectations, in defining policies and practices of multinational corporations, and in influencing the projects and policies of intergovernmental institutions.[23] Transnational arenas offer opportunities for civil society actors to shape discourses and policies that affect millions of people.

At the same time, transnational activity poses special challenges to establishing the credibility of civil society actors. At the transnational level, for example, there are fewer widely accepted values, norms, or laws that set legitimacy and accountability expectations. In transnational contexts, there are few institutions that can make authoritative decisions to set accountability standards or resolve disputes. Many emerging transnational problems are poorly understood, important to very diverse stakeholders, and subject to polarization and extreme power differences. Existing institutions are often ill- adapted or otherwise inadequate to deal with these problems. In order to operate in transnational contexts, CSOs must organize for cohesive action across regions and nations as well as across local, national, and transnational levels.

Civil society organizations that seek to establish their legitimacy and accountability in the transnational arena must deal with the loose organization of the arena, the emergent and highly charged nature of its problems, the inadequacies of existing transnational institutions and the vagaries of multicountry, multilevel, and often multisector organizations. This topic will be discussed in more detail in Chapter 2.