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NGOs, Foreign Donors, and Organizational Processes: Passive NGO Recipients or Strategic Actors?

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This paper provides an analysis of the international development aid industry using organizational theory. Over the past two decades there has been a trend towards a proliferation of increasingly quantitative, paper-based planning, reporting, and accountability procedures. Despite wide critiques of the inefficiency of these practices, they have been widely adopted by non-governmental organizations (NGOs). A neoinstitutional perspective would attribute this isomorphism to passive processes such as the diffusion of legitimating industry norms and power imbalances between donors and Southern NGOs (SNGOs). Although empirical evidence suggests that in many instances these are indeed factors, it is also evident that, to a certain extent, some SNGOs are able to actively negotiate and resist donor agendas. I argue that integrating neoinstitutional and resource dependence perspectives better reflects the various strategies used by SNGOs. Research suggests that Southern organizations employ a range of responses, from passive acquiescence to more active forms of resistance, which are contingent on relationships with donors and donor characteristics. After applying this theoretical framework, I propose a number of research areas to explore SNGO agency and change within this emerging field of inquiry.

Development is not about words and procedures. It is about changing the realities of people's lives. We need procedures, concepts and methods, but only as tools to help us do the work that needs to be done. When development is reduced to fitting things on blue squares, then we create more problems than we claim to solve. When these tools begin to imprison and consume all of our energies, where will we get the extra energy to do real work?
(Everjoice Win, Zimbabwean activist and international development worker, Win 2004: 127)

In the past two decades, the development field has been experiencing an increase in donor-driven standardization of planning, reporting and accountability practices (Mawdsley, Townsend, Porter and Oakley 2002; Wallace, Bornstein, and Chapman 2006). Funded by Northern-based donor agencies, nongovernmental organizations (NGOs) in countries of the global South (SNGOs) carry out community-based work to alleviate poverty, provide social services, develop civil society and democratic processes, and advocate for the

poor and marginalized. However, these procedures, presumably designed to increase accountability and transparency, and secure against the misappropriation of funds, in many cases have shifted SNGO focus away from their most meaningful work (Henderson 2002; Jellinek 2003; Markowitz and Tice 2002; Mawdsley et al. 2002; Perera 1997; Wallace et al. 2006).

This convergence in practice involves Southern organizations increasingly adopting "northern" or "corporate" style practices and agendas, although they have not necessarily resulted in improved efficiency. In fact, the increasing emphasis on paper-based rational management tools rewards organizations that produce good documentation, while organizations that lack these skills but who are nonetheless making positive change may not be as highly respected by funders (Mawdsey et al. 2002). Although it is reasonable to expect recipient organizations to have appropriate accountability and transparency measures, current practices have been widely criticized for being extremely time-consuming, difficult to use, and for taking time away from important work on the ground (Mawdsley, Townsend, Porter and Oakley, 2002; Wallace et al. 2006; Win, 2004). Furthermore, quantitative performance indicators may not actually measure real or meaningful change in the community (Mawdsley et al. 2002; Wallace et al. 2006) and SNGOs may not pursue the most relevant work because of pressure to adopt funder agendas.

In this paper I will apply organizational theory to the existing data on transnational NGO-donor linkages to gain insight into the sources and dynamics of change among these SNGOs. Organizational theory has traditionally focused on firms, governments, hospitals, and schools, among other organizations. Despite the wide application of organizational theory in other fields, it has not commonly been applied to SNGO-donor relationships. The limited literature on this topic does not explore the potential for agency that Southern organizations have. Organizational theory has been applied to the analysis of NGO legitimacy (Lister 2003) and organizational culture within NGO-donor relationships (Lewis, Bebbington, Batterbury et al. 2003). Yanacopulos (2005) applies the resource dependence perspective to the strategic work of transnational development NGO coalitions, while Hudock (1995) focuses on the vulnerabilities of SNGOs in two African countries due to their dependent position. Organizational theory provides a framework for understanding the wide adoption of rational management tools over the past 10 to 15 years. Despite the shortage of empirical evidence for SNGO agency, neoinstitutional and resource dependence perspectives together provide a framework to understand how organizations in the developing world may adopt, negotiate, or contest donor pressure.

I will begin by laying out the main points of the resource dependence and neoinstitutional perspectives, arguing that a combination of both approaches provides an account for the changes seen within the NGO field. The next section reviews the aid chain and the empirical NGO data that documents the challenges and dependencies created by North-South power imbalances and the effects of donor-driven requirements. Next, I will apply Oliver's (1991) framework of organizational strategies that integrates both neoinstitutional and resource dependence perspectives to the NGO-donor context. I argue that within their dependent position Southern organizations do have a range of choices, although limited, in response to their funders, which is contingent upon their relationship with donors and donor characteristics. Finally, I propose a number of research areas within this emerging field of inquiry.

Organizational Theory and NGO-donor Processes

The Resource Dependence Perspective

According to the resource dependence perspective, developed by Pfeffer and Salancik (1978), in order to understand organizations, it is necessary to understand the environments in which they are embedded. These environments include other organizations within their sector, as well as other stakeholders, suppliers, associations, federations, and the social-legal structures that regulate the relationships between these actors. In order to survive, organizations must acquire and maintain resources through interacting with other organizations. These interactions shape their activities and lead to different outcomes. In environments with large amounts of resources, the interdependence between organizations is minimized, while environments with more resource scarcity and greater uncertainty pose greater challenges between organizations (Pfeffer and Salancik 1978).

According to Pfeffer and Salancik (1978), organizations are interdependent with other organizations with which they exchange monetary or physical resources, information, or social legitimacy. These asymmetrical relationships often bring organizations up against conflicting demands, where satisfying one group's demands may come at the expense of another. Organizations are vulnerable to the extent that they become dependent on particular types of exchange in order to operate. According to Pfeffer and Salancik (1978: 51), dependence is defined as the importance of a given resource to the organization and the extent to which the resource is controlled by a relatively small number of organizations. Dependence, then, is a measure of the extent that another organization is perceived to be important and is taken into consideration during decision making (Pfeffer and Salancik 1978: 52).

Resource exchange consists of two dimensions: the relative magnitude of the exchange and the criticality of the resource (Pfeffer and Salancik 1978). The magnitude of exchange can be measured by the proportions of total resources accounted for by the exchange. These may be incoming or outgoing resources, depending on the context. The criticality of the resource refers to the ability of the organization to function without the resource.

Organizations, according to this perspective, actively choose strategies in order to maintain organizational autonomy and power within their environments (Pfeffer and Salancik 1978). Individuals within organizations are thought to be rational actors who weigh out the costs and benefits of choices and behaviours to maximize their own benefits.

The Neoinstitutional Perspective

In contrast, the neoinstitutional approach was developed as a reaction to these rational assumptions, in order to account for the nonrational behaviour often seen within organizations. This perspective provides an account for organizational change that is not necessarily driven by actor interests and emphasizes the cultural and cognitive influences shaping organizations. These non-choice actions may occur and be maintained through habit, convention, convenience, or social obligation (Oliver 1991). Neoinstitutional theory assumes that organizations somewhat passively conform to and adopt the norms in their environment without resistance, even though they may not lead to greater efficiency. Both

neoinstitutional and resource dependence perspectives acknowledge that within external restraints, organizational choice is available. However, compared to the resource dependence perspective, neoinstitutionalism attributes an organization's survival to conformity rather than resistance, passivity rather than activeness, and the internalization of norms rather than political acts of manipulation (Oliver 1991).

Both neoinstitutional and resource dependence perspectives maintain that legitimacy is important for organizations in order to obtain resources, and therefore, to survive. While resource dependence theorists claim that organizations survive to the extent that they are effective, that is, to the extent that they produce acceptable outcomes and actions (Pfeffer and Salancik 1978: 11), neoinstitutional theorists argue that organizations adopt practices in order to increase their legitimacy which may actually *reduce* efficiency (Meyer and Rowan 1977). These sector-wide practices make organizations gradually more similar to one another. According to Meyer and Rowan (1977) the process of bureaucratization generates rationalized myths, that is, taken-for-granted organizational forms and practices. These myths are based on the assumption that they are rationally effective, but they also may include practices that are legally mandated. Organizations can resist these symbolic practices, which may have a rule-like quality, but this may be interpreted as a sign of inefficiency, and damage the organization's legitimacy and the access to resources that come with being considered legitimate. Therefore, "organizations must not only conform to myths but must also maintain the appearance that the myths actually work" in order to maintain outward legitimacy (Meyer and Rowan 1977: 356). Neoinstitutional theorists suggest that organizations are more likely to survive when they follow culturally accepted structures and practices and that are supported by normative authorities and legal institutions (Scott 2008). Thus legitimacy is a crucial factor for organizations and is not necessarily linked to its performance or other attributes (Scott 2008).

The strength of neoinstitutional theory is in its explanation of the adoption of practices that are so taken-for-granted or complex that actors cannot exert their influence against them (DiMaggio 1988). It explains the "diffusion and reproduction of successfully institutionalized organizational forms and practices" (DiMaggio 1988: 12) in their achieved form, but fails to explain institutionalism as an unfinished process. Neoinstitutional theorists recognize that organizational change is inherently political and depends on the power of the actors who promote, oppose, or support these changes, (DiMaggio 1988). However, the framework has been criticized for not providing an account for organizational self-interests and active agency (Covaleski and Dirsmith 1988; DiMaggio 1988; Oliver 1991), and not providing an explanation for the way that non-established organizational forms are created, reproduced, or changed (DiMaggio 1988).

For these reasons, theorists such as Tolbert and Zucker (1996) propose that these two perspectives can be seen as two ends of a decision-making continuum to explain how organizational change is either adopted or resisted within a given field. I will explore Oliver's (1991) framework of strategies to avoid institutional pressures. These strategies range from the neoinstitutional default of passive conformity on one end to active resistance on the other. After examining the empirical NGO literature in the context of institutional and resource dependence theories, I will return to discuss Oliver's continuum of strategies within the NGO-donor context.

The Dynamics of the Aid Chain

NGOs, with a diversity of social justice agendas from humanitarian, relief, development and advocacy work, range from huge international organizations to small grassroots groups. Their donor agencies include governmental or multilateral agencies, foundations, trade union and faith-based organizations. Often funding moves through an "aid chain", originating from large funding agencies either directly to the South, or through an intermediary NGO based in Northern countries who then channel these resources, possibly with funding acquired through other sources, such as member donations, to recipient organizations in the developing world (Oller 2006).

Within the global NGO community, legitimacy is established through performance and accountability, but also through the strength of an organization's connections with the poor "on the ground" (Lister 2003). While Northern funders provide funding to their Southern partners, SNGOs provide Northern funders legitimating local knowledge and the link with program beneficiaries (Brehm 2001). However, Southern organizations are more dependent on resources from Northern organizations than the other way around (Lister 2000). NGO accountability is divided into upward and downward accountability to express the direction of the aid chain in which accountability is focused (Bornstein 2003). SNGOs are upwardly accountable to their donors, trustees, and host governments while being downwardly accountable to their beneficiaries, staff and supporters. Since funding is often channeled through NGOs based in countries of the global North (NNGOs), these intermediary organizations are accountable to other donors further up the aid chain, as well as to their own supporters that provide donations and volunteer time.

Despite the stated emphasis on the beneficiaries of development, SNGOs' reliance on foreign resources tends to focus their accountability efforts upwards, with their priorities being defined by donor demands (Chambers and Pettit 2004). NNGOs may be limited as to which of their Southern partners' projects they can fund, due to the funding agency's priority areas, which may be particular regions or interest areas, such as gender or environment. NGOs often have to make trade-offs to satisfy both donor requirements and their grassroots beneficiaries simultaneously, and often end up focusing their accountability upwards.

Power Relations

Organizational theory provides an account for the changes that are occurring in SNGOs due to their asymmetrical power relationship with their funding organizations. According to neoinstitutional theorists DiMaggio and Powell (1983), coercive, mimetic, and normative mechanisms lead to isomorphism, or greater similarities between organizations. Coercive isomorphism is a result of formal and informal pressure between organizations as well as cultural societal expectations. DiMaggio and Powell (1983) suggest that the more dependent an organization is on its exchange partners, the more this leads to greater similarities between organizations. Therefore, according to this perspective, we could expect that dependent organizations would be easily influenced by formal and informal pressures and norms, gradually becoming more similar to influential organizations as they adopt legitimating forms and practices.

Wallace, Bornstein and Chapman (2006) argue that coercion and compliance are important concepts in understanding the relationship between SNGOs and their foreign donors. Donor agencies provide access to funding and therefore are in a position of power. These donors set the agenda and conditions required for receiving a grant and there are real consequences if SNGOs lose this funding (Markowitz and Tice 2002). For example, in Russia, a grant usually covers project costs, office space rent, computers, and the salaries for up to four employees (Henderson 2002).

According to Wallace et al. (2006), this coercion goes hand in hand with the dependent organization's consent to the conditions on funding. Because donors have control over the funding and can decide to withdraw their contribution, coercion may include force (Wallace et al. 2006). However, it is often a result of the acceptance of norms that are rarely questioned or challenged because they are seen as the standardized or "correct" way to do development work (Wallace et al. 2006). In other words, coercion may be direct or indirect through the adoption of norms held within the NGO field.

As the holders of the valuable resources on which SNGOs are largely dependent, donors are in a position of power and often put conditions on how aid is used and how programs are implemented (Chambers and Pettit 2004). The problem is that Northern funding agencies often create program objectives in very different contexts than where they will be implemented, and therefore, these programs often do not suit the cultures that receive them (Lindenberg 2001). Northern funders often impose their own norms and values, and their priorities often fluctuate toward areas of development that are currently popular (Degnbol-Martinussen and Engberg-Pedersen 2003). These frequent fluctuations in funder priorities increase environmental uncertainty and the pressure to implement programs that are likely to be seen as "successful" rather than addressing the root of the problem, which usually involves complex, long-term processes. Funders often favour programs with easily quantifiable results, but these often are not able to promote longer-term, sustainable projects (Lindenberg 2001). Similarly, donor agendas may limit particular political strategies, even when they lead to greater long-term and meaningful social change (Markowitz and Tice 2002).

Furthermore, the financial instability in many recipient countries makes salaried employment at an NGO a much greater opportunity than what would otherwise be available, and therefore, securing grants at any cost can become a powerful focus of some organizations (Henderson 2002; Petras and Veltmeyer 2001). These aspects of power and dependency have resulted in some NGOs shifting their focus from important areas for their beneficiaries, towards areas of donor interest that will attract a large amount of funding (Edwards and Hulme 1998).

Northern NGOs and donor agencies often speak of partnership between organizations, two-way accountability and transparency, and local empowerment and participation. This partnership discourse and the direct ties Northern organizations have, with SNGOs and their beneficiaries, provided them with an important source of legitimacy (Brehm 2001). However, there is often a gap between rhetoric and practice (Chambers and Pettit 2004). For example, Lister (2000, 2001) studied power relations between seven British NGOs that channel funding to their partner organizations in Guatemala. She found that organizations higher up the aid chain were more likely to view their Guatemalan counterparts as partners than the other way around. Additionally, funders who were higher up the

aid chain were more likely to believe that new policies were the result of consultation rather than imposition. Lister concluded that rather than Northern and Southern organizations sharing the genuine qualities of partnership, power inequalities still exist behind this discourse of equality.

Organizations further down the aid chain from their funding sources will be subject to formal pressure to adopt donor-driven goals, policies, and standardized procedures. Informal pressures to adopt the values, norms, and legitimating practices have a powerful effect on dependent organizations. Together, these direct and indirect pressures have resulted in Southern organizations adopting Northern agendas and practices.

Professionalization and Report Culture

Neoinstitutionalists recognize how the normative pressure to professionalize in order to gain legitimacy leads to greater homogeneity within an organizational field (DiMaggio and Powell 1983). These theorists suggest that this occurs even if professionalization does not lead to greater efficiency (DiMaggio and Powell 1983). SNGOs have been under increasing pressure by donor agencies to professionalize (Mawdsley et al. 2002). Many NGOs that start out as small organizations that represent their grassroots community must then learn to write highly professional grant proposals and reports in order to receive funding. These organizations may need to hire additional staff or acquire further skills which may transform the organization's goals, discourses, and organizational strategy and lead to greater social hierarchies between the professional, highly educated staff, and the local community (Markowitz and Tice 2002).

Ironically, in many cases, attempts to make SNGOs more efficient and ensure that funding is well spent are making SNGOs less able to work efficiently and to target the most relevant areas in their communities. There has been a trend of increased upward accountability procedures as a condition on funding in the last 10 to 15 years (Wallace et al. 2006), and as organizational theory suggests, these bureaucratic practices have often not resulted in an increase in efficiency but are essential for maintaining legitimacy and securing funding. This is leading to greater similarities between organizations, as these "best practices" established by donor agencies are being adopted worldwide.

The logframe is a rational management tool rapidly adopted since the 1990s and now used by almost all donors and NGOs in the US and Europe (Wallace et al. 2006). Project goals, plans, timetables, required inputs and expected outcomes and quantitative indicators are summarized and linked together by a series of causal arrows. Rather than leading to greater efficiency, these tools have been widely criticized as being rigid, hard to use, culturally inappropriate, and overly time-consuming, taking time away from doing meaningful work on the ground (Mawdsley et al. 2002; Wallace et al. 2006).

This lack of efficiency is demonstrated in Wallace, Bornstein, and Chapman's (2006) large study of the international aid chain between a variety of UK-based donor NGOs and African recipient organizations. They found that a considerable amount of NGO staff time in both the North and South is now spent on these lengthy reporting procedures rather than development work. These included frontline staff and staff with extensive field experience who within their local contexts unanimously reported that "the tools do not work once [program] implementations starts" (165).

Sarvodaya Shramadana is another example of the effects of donor-imposed administrative system. This Sri Lankan grassroots people's movement has been supporting the development of communities in a decentralized, participatory way since the early 1960s. The movement became widespread in Sri Lanka and promoted education, employment initiatives, building structures and institutions while promoting tolerance of cultural, religious, and linguistic differences. By 1972 a number of large NGOs and development agencies took notice of the movement and began to fund Sarvodaya. These early years were characterized by a climate of dialogue and mutual respect. However, by the mid-1990s the top-down imposition of rigid and bureaucratic financial and administrative systems involving large increases in workloads were imposed on the Sarvodaya headquarters (Perera 1997). The dynamic changed from one of partnership to donor and subcontractor and destroyed the integrated, participatory character of the movement (Perera 1997).

Neoinstitutional theory recognizes that although adopting new structures or practices may not necessarily lead to greater efficiency, once established these provide legitimacy for the organization. Organizations can deal with the conflict between following legitimating rules and decreased efficiency by decoupling structure from activities (Meyer and Rowan 1977). In other words, there can be a gap between an organization's legitimating formal structures and procedures and its day-to-day activities. Avoidance, discretion, and overlooking may be also used to deal with this conflict between ceremonial rules and the realities in which organizations find themselves (Meyer and Rowan 1977). In Wallace, Bornstein, and Chapman's study (2006) the authors concluded that there is a "disjuncture between the paper-based plans, objectives, activities and indicators and the day-to-day realities" (165) that SNGOs deal with. These plans are put aside while the NGO staff attempt to find effective ways to deal with their work with poor communities. Afterwards, they "revert to the written tools again when it comes to reporting and accounting for donor aid money" (Wallace et al. 2006: 165).

SNGOs considered to be successful may be less so than others but be better at following these legitimating symbolic requirements. For example, Jellinek (2003) is the co-founder of an Indonesian NGO that started as a small grassroots-style microbank for women. Due to donor funding, it grew very rapidly in less than three years and changed its focus to good governance programs. Jellinek (2003) states that although the NGO is considered to be a great success with donors, the NGO's focus shifted from its original grassroots style and goal to support the poor to being a "complex, top-down, technically oriented capital-intensive bureaucracy... out of touch with what was happening on the ground" (179). The NGO's focused on professionalization through the opening of more offices, equipping them with computers and other technology, and spending time organizing formal events with government officials. However, the NGO's daily work involved less and less contact with the community, less democratic selection procedures of community representatives, and limited delivery of programs that actually reached the poor. Despite these problems, the organization's growth and professionalization increased its legitimacy with donors.

Contesting Neoinstitutional Processes

Both SNGOs and their funders agree that accountability is important (Win 2004) and both Northern and Southern organizations are made up of people who are deeply com-

mitted to making positive change and empowering the poor in developing countries. Yet donor requirements and upward accountability procedures often "undermine many aspects of the partnerships that INGOs [international NGOs] seek out and crave to develop with southern agencies" (Wallace et al. 2006: 171). The time used to meet donor conditions takes time away from engaging the local community and developing alternative ways of conceptualizing and accounting for their work (Wallace et al. 2006). However, Mawdsley and her colleagues (2002) point out that although local participation is essential, SNGOs may not always have the best solutions, and Northern NGOs still have a role to play in assisting SNGOs with technical and information abilities.

How then, can this disjuncture between goals and practice be solved to ensure that the NGO field can maintain accountability to all stakeholders? It is clear that in many cases problems result from structural factors in the aid delivery system and the adoption of legitimating yet ineffective practices. Legitimacy is essential for receiving the funding that allows SNGOs to do social justice work. There are real consequences of losing funding for SNGOs in poor countries, such as program cutting (Markowitz and Tice 2002), which has a negative effect on the NGO's beneficiaries. Considering these consequences, it is easy to understand why organizations make great efforts to meet Northern donor demands even if they may limit their efficiency.

Despite these limitations, are the processes predicted by neoinstitutional theory inevitable? The neoinstitutional perspective portrays organizations as somewhat passively conforming to norms without reflection or resistance, while the resource dependence approach assumes that organizations have a degree of control over resources and exchange partners. Tolbert and Zucker (1996) suggest that neoinstitutional and resource dependence perspectives represent two ends of a decision-making continuum. Southern organizations are deeply affected by pressures in their environments, but they are also capable of responding creatively and strategically to these demands, depending on donor characteristics and their relationship with these funders.

Oliver (1991) combines resource dependence and neoinstitutional theories and identifies a typology of five strategic responses for organizations to institutional processes that move from most passive to most active: acquiescence, compromise, avoidance, defiance, and manipulation. Acquiescence has been the focus of the majority of neoinstitutional theorists (Scott 2008), and according to Oliver (1991), acquiescence is the most likely strategy when organizations believe that conforming will improve their prospects for economic gain or social legitimacy.

This first strategy, acquiescence, can be broken down further into three forms: habit, imitation, or compliance (Oliver 1991). Habit refers to following taken-for-granted rules, especially in response to norms that have acquired the status of a social fact. Imitation refers to the neoinstitutional concept of mimetic isomorphism, where actors either consciously or unconsciously mimic institutionalized behaviour. This may include, for example, when organizations mimic the practices of successful organizations in their sector. Compliance refers to obeying norms and other institutional requirements and is a more active approach than habit or imitation when the organization consciously chooses to comply to external pressures in order to further its interests.

The second of Oliver's (1991) strategies is compromise. This is a more active response than acquiescence because organizations only partially comply and includes balancing,

pacifying, and bargaining tactics. Balancing is useful when organizations have to respond to and find a compromise between conflicting pressures from various stakeholders. Established SNGOs may use this strategy when playing multiple funding sources off of one another.

Pacifying tactics mostly involve appeasing actors, but also involves an element of resistance. For example, in Wallace, Bornstein and Chapman's (2006) large study of a variety of UK-based donor NGOs and their recipient NGOs in two African countries, the strategies that Ugandan NGOs tended to use with funders ranged from compliance to pacifying tactics, such as consciously handing in late or poor quality reports.

Bargaining, however, is a more active and constructive process than balancing and pacifying because it involves negotiation and gaining concessions that will benefit the organization. This strategy is a possible in donor-recipient relations that are characterized by a sufficient level of equality and open communication, or where the recipient NGO possesses a certain degree of bargaining power, or a combination of both. The coordinator of a small Mexican NGO explains:

> I believe that the work that we have done has given the organization certain credibility, a certain image... Therefore, there have been foundations seeking to support us more than we're looking for them—it helps them to have us in their group of partner organizations. It's mutually beneficial. The foundations [that] support us ... also benefit from our support. So we [are able to] negotiate. (J. Quiñonez, personal communication, June 25, 2009)

This organization's success, reputation, and relatively small operating budget has, to a certain extent, allowed it to be selective with the donors it chooses and to negotiate the terms of its funding agreements.

The third of Oliver's (1991) responses is avoidance. Avoidance in this sense refers to finding ways to avoid conforming to external pressures strategies and can be broken down further into concealment, buffering, and escape. Concealing nonconformity is the feigned acquiescence to norms, rules, or requirements that the organization does not intend to comply with. Buffering takes place when organizations decouple activities from formal structures. For example, in Wallace and her colleagues' (2006) study, decoupling, or the disconnection between written documents and reality on the ground was widespread. A small NGO reported that "for us, as a development tool, logframes are not carried through to the field level. For our staff it is quite confusing" (97). Another NGO director admitted that because of time constraints they "didn't have the luxury of sitting down with stakeholders so they just cooked up assumptions about them" (107). Another SNGO explained how logframe reporting procedures could be manipulated: '[you] set targets lower than you can achieve ... [this] makes your performance look better and impresses funders' (107). The focus then shifts to matching how far written objectives have been met, rather than on a complex analysis of what happened and why (Wallace et al. 2006). Decoupling in this manner limits transparent reporting to donors as well as diminishes opportunities for honest assessment and improvement of the organization's own work.

For this reason, escape is a more proactive avoidance strategy than concealment or buffering. Escape occurs when organizations exit the domain in response to pressure. A SNGO that consciously chooses to reject or not pursue funding from certain restrictive funders in order to autonomously pursue community objectives would be an example of

exiting the domain where the conforming behaviour is necessary. However, one significant trade-off of this strategy is the limitations of a sparse operating budget. For example, the Comité Fronterizo de Obreras (CFO) is a labour rights organization that coordinates a large grassroots movement from a tiny organizational base. The CFO has consciously chosen to maintain its autonomy by refusing to pursue funding that is not in line with its objectives. However, the organization struggles with insufficient office staff and a lack of front-line workers. The organization restricted its primary funding sources to a few of like-minded donors who have minimal paperwork requirements, leaving more time for work on the ground. Nevertheless, the CFO has had to limit its scope and growth, reaching its goals at a slower pace than if more funding had been sought (J. Quiñonez, personal communication, June 25, 2009).

The fourth of Oliver's (1991) strategies is defiance, an active form of resistance, which includes the dismissing, challenging, or attacking of institutional rules and values. Dismissing occurs when organizations choose to ignore rules and values and can occur when the organization does not agree with the requirements and perceives that the risk of not following the rules is low. A director from a SNGO who refuses to use logframes explains:

> We do not use tools. And no, donor requirements don't influence our work at all ... We refuse to use logframes. Logframes are an iniquitous, dangerous, reductive trap... [S]ome people don't have a choice. (as cited in Wallace et al. 2006: 97)

Although this director acknowledges that many funding-dependent organizations are not able to reject these sector-wide practices, this organization has been able to dismiss donor requirements including the use of logframes.

Challenge is a more active strategy than dismissing and occurs when organizations contest established norms and rules. Attack is similar to challenge but differs in its intensity, and occurs when organizations perceive that they can prove their righteousness and the consequences for this type of action are not grave. Challenge occurs in the cases of SNGOs who choose to "fire" donor organizations whose conditions on funding or ways of working do not serve the interests of the organization. For example, Wallace and her colleagues (2006) found that in comparison to the Ugandan organizations in their study, the South African NGOs that tended to engage in more active strategies which included re-negotiating, turning down the donors several times achieved agreements on their own terms, which included provisions such as core funding and even refusing funding from certain donors.

A group of NGOs in India were also able to challenge the World Bank to reestablish reporting procedures that would better suit their needs. The Women's Enterprise Management Training Outreach Program (WEMTOP) was a pilot project from 1991 to 1995 between the World Bank Economic Development Institute (EDI), National Steering Committees, and Partner Training Institutes, and development NGOs in India. At the onset of this donor-initiated partnership, the Indian NGOs expressed concerns about the World Bank's intentions through WEMTOP, which led to a lengthy negotiation process (Brinkerhoff and Brinkerhoff 2004). The NGOs formalized their National Steering Committee as an NGO called Udyogini to "demand an equal seat at the table to negotiate procedures and agreements" (Brinkerhoff and Brinkerhoff 2004: 261) with World Bank staff. This resulted in a set of mutually acceptable procedures, including funding

schedules, financial reporting formats and frequency, type and amount of supporting documentation and a jointly-owned project document called the Memorandum of Agreement (MOA) which took over six months to negotiate (Brinkerhoff and Brinkerhoff 2004).

The final and most active response of all the strategies in Oliver's (1991) typology is manipulation, which occurs when organizations consciously attempt to co-op, influence, or control. Although manipulation strategies are available to a variety of organizations, the likelihood of organizations in a resource dependent position exerting power over their funders in this way is highly unlikely over the long term.

There are many cases in the organizational literature where organizations under the same institutional pressures show divergent rather than convergent outcomes (Scott 2008). Although dependent organizations have more difficulty resisting external pressures (DiMaggio and Powell 1983), this does not mean that SNGOs cannot and do not find ways to work effectively with their grassroots constituents while managing donor demands. Despite the difficulties related to these requirements, Wallace and her colleagues' (2006) large study concluded the following:

> ... always there were exceptions, organizations or individuals who break through the current norms and ways of interacting and relating to build good friendships and relations of trust and mutuality, where listening, respect and negotiation allow for more flexible and appropriate ways of working in difficult contexts. (174)

In other words, within their limited position, these NGOs found innovative ways to build positive and egalitarian relationships with donors to negotiate the challenges of the aid delivery system.

Clearly, Northern funding agencies need to make substantial systemic changes to ensure that Southern perspectives are genuinely incorporated into the programs that they fund. However, this evidence suggests that, although a SNGO's position of limited power greatly restricts their options, there are still ways that Southern organizations can develop good partnerships with donor while remaining accountable to their beneficiaries.

Implications for Research

There are a wide range of studies documenting the ways that coercive and normative donor pressure is affecting organizations in the global South. SNGOs increasingly adopt rational management tools in order to maintain legitimacy and secure funding which is leading to a convergence of practices in the field. A neoinstitutional framework suggests that the current trends would be very difficult to avoid. While there are wide anecdotal reports of SNGOs that negotiate and even reject conditions on funding (L. Bornstein, personal communication, Feb. 6, 2009), including particular reporting formats, limited empirical research exists. Research on SNGOs who are reliant on external funding and able to negotiate or contest inappropriate donor policies is necessary for a greater understanding of organizational change and the potential for autonomy.

One area to investigate is to determine the ideal balance of breadth and strength of organizational linkages for the autonomy and flexibility. Oliver (1991) hypothesizes that when an organization has a greater number of organizational linkages the more likely it

will be able to resist external pressures. However, Hudock (1995), in her work on SNGOs in Sierra Leone and Gambia, found that there were challenges for both organizations with too many donors and with too few. A high level of organizational connectedness provides valuable resources but more time and energy is necessary to manage numerous donor demands, which takes time away from organizational objectives. Alternatively, having too few donors without having other funding options leaves organizations dependent on funders and vulnerable to their demands. Further research will determine the ideal range of funding sources for various sized SNGOs.

A second research area is to examine the effect of the type of donor organization. In Wallace and her colleagues' (2006) study, multilateral and large governmental agencies in the UK tended to be the most rigid, limiting, and driven by rational monitoring and evaluation tools compared to medium-sized donors and small foundations. It has also been suggested that NNGOs who obtain a substantial portion of their funding from individual donations and fundraising activities may be able to interact more openly and freely with their Southern partners than NNGOs that rely on large funding agencies (Dicklitch and Rice 2004; Mawdsley et al. 2002). Although research on faith-based donors is limited, religious donor organizations may be more flexible in their approach (Bakewell and Warren 2005; Dicklitch and Rice 2004). To what extent do these variations between donors permit or constrain SNGOs to negotiate and shape the policies that affect them?

A third area for investigation is the donor organization's position in the aid chain. Southern organizations may have more negotiating options depending on whether the funding is coming directly from the donor agency or through an intermediary NGO. For example, some NNGO project managers may elect to ease the paperwork burden by assisting partner organizations with logframes using information collected through a variety of mediums such as field visits, phone conversations, and informal written communications. These more personalized forms of communication may be able to improve partnerships and allow for more rigorous and meaningful monitoring and accountability (Mawdsley et al. 2005). However, an NNGO working off a logframe would have to acquire the same detailed information that makes up the quantitative indicators from their Southern partner. Another issue is that having a NNGO "translate" between an SNGO and donors further up the aid chain may obscure the voice of the local NGO. This may also undermine the partnership by turning the NNGO's role more into one of an aid administrator than development partner (Wallace et al. 2006). Notwithstanding, freeing up partner organizations' time and energy for development work in the community will benefit all stakeholders. To what extent does receiving funding through an intermediary NNGO rather than a large aid agency allow Southern organizations room to maneuver? What donor policies and practices aid this process?

A fourth research question is to investigate how the length of partnership mediates the risks for SNGOs who contest inappropriate conditions on funding. It is likely that recipient organizations are more likely to engage in active strategies with donors depending on the level of risk to organizational survival these actions pose. Oliver (1991) predicts that the lower the degree of social legitimacy that an organization perceives to be attainable by conforming to external pressures, the more likely an organization is to be able to resist institutional pressures. In addition to the legitimacy an organization has gained within its field, a SNGO may also establish legitimacy through its track record of project work and

by following legitimating procedures with the funding NNGO over time. For example, it is common for funder requirements to be stricter at the early phases of a partnership while SNGO accountability and legitimacy is being established. As time progresses NNGO funders may provide more leeway, such as more time between progress reports (J. DuBois, personal communication, Feb. 26, 2009). It is possible that once a SNGO's legitimacy has been established with donors, the recipient organization may have a greater space to present its perspective and to negotiate inappropriate conditions on funding with the NNGO. In a donor-NNGO-SNGO aid chain, depending on the limitations that the donor agency places on the NNGO, the Southern organization may be able to gain concessions from the NNGO, such as the additional support in report writing or other agreements between the two organizations that can mitigate the more rigid rules of the donor agency higher up the aid chain.

Finally, how does interpersonal trust built between individuals in donor and recipient organizations mediate the risks of contesting inappropriate donor demands? Rather than being truly inter-organizational, North-South NGO partnerships tend to be maintained by a few individuals (Brehm 2004; Lister 2000). These relationships may be unpredictable because they are based on individual relationships and personalities which can at times, maintain hierarchical and exclusionary patterns (Brehm 2004). In other cases, the connections between organizations are based on personal friendships built over time between individuals in Northern and Southern organizations, which may be characterized by trust and mutual respect (L. Bornstein, personal communication, Feb. 6, 2009). For example, barring an overly constraining donor policy, a donor-SNGO relationship based on trust and friendship between a few key individuals could result in more flexibility and leniency in paperwork requirements. If problems were to emerge, trust-based relationships between individuals could also open up spaces for the Southern partner to negotiate or even refuse certain conditions.

Conclusions

Similar to their counterparts in the North, development and advocacy organizations in the developing world are embedded in an organizational environment in which they must maintain legitimacy and resources and either adapt to or negotiate a variety of pressures and norms. These organizations are upwardly accountable to donors and downwardly accountable to beneficiaries, although conditions on funding often focus accountability upwards.

Together the neoinstitutional and resource dependence perspectives provide an explanation for the processes occurring in the transnational NGO sector. The neoinstitutional perspective accounts for the widespread adoption of legitimating rational management tools such as logframes, despite the widespread belief that these procedures are inefficient. Due to asymmetrical power relations and dependence on scarce resources, Southern organizations tend to accept these tools, leading to a convergence of donor-driven practices.

However, not all SNGOs passively accept these conditions. As the resource dependence perspective suggests, these organizations are sometimes able to choose strategies to acquire crucial resources while maintaining a degree of autonomy. These strategies

fall within a continuum that ranges from passive acquiescence to negotiation and compromise, decoupling from inappropriate procedures, and even challenging and rejecting certain donors or donor requirements. Empirical research on SNGOs and their relationships with donors will allow for a greater understanding of the ways in which organizations in the developing world may navigate the aid delivery system and have their voices heard.

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