

Institutional and Ideational Challenges of Organizations in Public Discourses: An Ordonomic Approach

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Abstract

This quasi-cumulative dissertation analyzes the institutional and ideational challenges of organizations in public discourses. Academic scholars with different theoretical backgrounds assign NGOs a leading role to promote and fertilize public discourses in democratic societies. However, empirical research documents numerous cases, in which NGOs fostered discourse failure by launching controversial campaigns, the use of distorting framing strategies or even misinforming the general public. Following the ordonomic approach, this dissertation provides new counter-intuitive explanations for discourse failure and outlines feasible ideational and institutional reform proposals. The first article identifies the problem of discourse failure in the case of the public controversy (2015-2017) in Germany about two international trade agreements. The second article investigates existing solution approaches to discourse failure. In particular, it presents a longitudinal case study (2006-2018) about Accountable Now, which is the leading global initiative of international NGOs to promote the effectiveness and collective reputation of the NGO sector. The third article theorizes that discourse failure is the result of two different types of social dilemmas that require specific reforms. The following discussion links the empirical findings and theoretical contributions of the three previous articles to an ordonomic analysis of discourse failure in the NGO sector. This dissertation yields valuable theoretical implications for deliberative and rational-choice theory, the research on NGO accountability, and NGO self-regulation in practice.

Abstrakt

Diese quasi-kumulative Dissertation analysiert die institutionellen und ideellen Herausforderungen von Organisationen im öffentlichen Diskurs. Wissenschaftler mit unterschiedlichen theoretischen Hintergründen schreiben NGOs eine führende Rolle bei der Förderung und Befruchtung öffentlicher Diskurse in demokratischen Gesellschaften zu. Allerdings dokumentiert die empirische Forschung zahlreiche Fälle, in denen NGOs durch kontroverse Kampagnen, den Einsatz verzerrender Framing-Strategien oder eindeutige Fehlinformation der Öffentlichkeit, Diskursversagen Vorschub leisteten. Aufbauend auf dem ordonomischen Forschungsansatz stellt diese Dissertation neue kontra-intuitive Erklärungen für Diskursversagen bereit und skizziert mögliche ideelle und institutionelle Reformansätze. Der erste Artikel identifiziert das Problem von Diskursversagen in dem Fall der öffentlichen Debatte über zwei internationale Handelsabkommen (2015-2017). Der zweite Artikel untersucht bestehende Lösungsansätze, um Diskursversagen zu adressieren. Insbesondere stellt er eine longitudinale Fallstudie (2006-2018) über Accountable Now vor, welche die führende globale Initiative internationaler NGOs ist, um die Effektivität und die kollektive Reputation des NGO-Sektors zu stärken. Der dritte Artikel theorisiert, dass Diskursversagen auf Grund zweier unterschiedlicher sozialer Dilemmata entsteht, die jeweils spezifischer Reformansätze bedürfen. Im Anschluss verbindet die Diskussion die empirischen und theoretischen Beiträge der einzelnen Artikel zu einer ordonomischen Analyse des Diskursversagen im NGO-Sektor. Insgesamt liefert die Dissertation wichtige theoretische Implikationen für die Theorie der deliberativen Demokratie, Rational-Choice Theorie, die Forschung über Rechenschaft von NGOs, und die Selbstregulierung von NGOs in der Praxis

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List of Abbreviations

AI	Amnesty International
AN	Accountable Now
BDI	Bundesverband der Deutschen Industrie
CETA	Comprehensive Economic and Trade Agreement
CHM	Complaints Handling Mechanism
CSO	Civil Society Organization
DC	Discourse Coalition
DGB	Deutscher Gewerkschaftsbund
ILO	International Labor Union
NGO	Non-Governmental Organization
NPO	Nonprofit Organization
PTA	Preferential Trade Agreement
TTIP	Transatlantic Trade and Investment Partnership

1 Introduction

Public discourses yield essential functions for democratic societies (Mansbridge et al. 2012) because they signal social maldevelopments and guide political actors to develop and implement appropriate reforms (Habermas 1992; 1996). Academic scholars of different theoretical strands view NGOs as predestined actors that enrich public discourse because they are advocates of the poor and marginalized (Mansbridge et al. 2012) and initiate societal learning processes (Valentinov et al. 2013). However, public discourse can fail in real life (Will and Pies 2016, Valentinov et al. 2018). Instead of the exchange of evidence-based arguments, actors strongly oversimplify or even misrepresent public policy issues (Swinnen et al. 2013). Another indicator of discourse failure is the polarization of public debates, in which the engaging actors, including NGOs, gather in two dominant discourse coalitions whereby the exchange of arguments stalls. Instead of making good arguments, the discourse coalitions focus on mobilizing their supporters and attack the credibility of their opponents (Dodge 2015; 2017). Finally, the malfunctioning of public discourse displays an enormous threat to democratic societies because it can lead to regulation failure (Will and Pies 2016) and undermine the collective reputation of NGOs, corporations, and state authorities alike.

Three academic debates with specific perspectives, methodologies and research questions have contributed to the understanding of public discourse and provided explanations for its malfunction. First, building on a strong normative position, deliberative scholars (Habermas 1992, Mansbridge 2010, Baur and Palazzo 2011) highlight that NGOs, political and economic actors have to recognize their individual moral responsibility to foster public discourse. From this perspective, the misuse of power by self-interested actors is the main cause of discourse failure (Mansbridge et al. 2012). Second, rational-choice approaches focus on the underlying incentives that lead actors to use distorting framing strategies (Pincione and Tesón 2006). From this perspective, discourse failure is an interaction problem among rational actors that strive to pursue their particular goals under unfavorable conditions. Third, management scholars have embraced the concept of NGO accountability to understand how NGOs can enhance their legitimacy and effectiveness. From this perspective, responsible advocacy in public discourse is an organizational (Hortsch 2010) and sectoral challenge (Brown 2008).

While the three academic debates provided invaluable contributions to the understanding of public discourse and outline causes for its failure, the current state of research also yields several deficits. Deliberative approaches mainly ignore *the role of institutions* and their incentive properties (Warren 2007), whereas existing rational-choice approaches (Pincione and Tesón 2006) tend to disregard *the role of normative ideas*. In a nutshell: the literature on NGO accountability approaches institutions (Prakash and Gugerty 2010a) and normative ideas (Crack 2016; 2017) as independent research objects, and thus struggles to analyze their interplay.

Against this backdrop, the main objective of this dissertation is to analyze the crucial *institutional and ideational challenges of organizations in public discourses*. In the next step, this dissertation provides normative guidance on how to address them. The suggested reform approaches need to be compatible with democratic principles and

consider the self-interests and societal interests of organizations to be feasible and effective.

In its analysis of ideational and institutional challenges, this dissertation follows the ordonomic approach (Pies 2016). As a starting point, the evolution of modern society is theorized to constantly create discrepancies between ideas and institutions (Pies et al. 2009; Valentinov et al. 2013). While ideas are fundamental categories of thought that drive the perception of problems and predetermine the conceivable solution approaches, institutions are rules that create incentives and drive the strategic choices of rational actors. From this perspective, the analysis of ideas and institutions, and their interdependence is key to understanding moral issues and to provide normative guidance (Pies et al. 2009). The ordonomic approach distinguishes between three levels of social interaction to provide a systematic analysis of moral issues. On the level of the “moves of the game,” interaction problems are conceptualized as social dilemmas. A social dilemma is defined as “a situation in which rational actors fail to realize their common interests due to conflicting individual interests” (Beckmann et al. 2014, p. 26). This “social dilemma lens” (Pies et al. 2009) is useful to understand why rational behavior can unintentionally lead to collective self-damage. Consequently, on the level of the “rules of the game,” actors can decide on new institutions that manifest desirable or overcome undesirable social dilemmas (Petrick and Pies 2007). On the level of the “discourse about the rules,” actors discuss institutional reforms. Here, ideas, including their normative components, such as the moral self-concept of actors, can facilitate or complicate the understanding of the pivotal role of incentives and the potential and risks of institutional reforms (Pies et al. 2009).

The dissertation is structured as follows: the outline text draws the bigger picture with a focus on the institutional and ideational challenges of organizations in public discourses and envelops the three articles that address specific research questions against the backdrop of different academic debates. Chapter 2 provides a basic literature review of the three academic discussions mentioned above that approach the problem of discourse failure from different perspectives. Chapter 3 presents the key idea and essential analytical instruments of the ordonomic approach (Pies 2016). As represented in Figure 1-1, the main part of this dissertation consists of the Chapters 4 to 7.

Chapter 4 (Article I) provides an empirical account of the problem of discourse failure. A case study investigates the strategic framing choices of four NGOs, and one industrial lobby group in the polarized debate revolving around two international trade agreements. The Transatlantic Trade and Investment Partnership (TTIP) between the US and the EU, and the Comprehensive Economic and Trade Agreement (CETA) between Canada and the EU. Based on a frame analysis using the qualitative-quantitative method GABEK© (Zelger 2002, Winkin 2018) the study reconstructs and compares public policy frames regarding TTIP and CETA based on more than 125 press releases (2015-2017). The results show that all actors applied distorting framing strategies and consistently blinded out arguments of their political opponents. Further, the four NGOs formed a discourse coalition as they put forward the same arguments against the two trade agreements.¹

Chapter 5 (Article II) investigates existing solution approaches to discourse failures and focuses on Accountable Now (AN), the leading global initiative of international

¹ In addition to identification of discourse failure in practice, this article also theorizes the interplay of discourse failure and discourse coalitions.

NGOs that promotes the effectiveness and collective reputation of the sector. The longitudinal case study covers the period from 2006-2018 and is based on an extensive data sample with more than 4000 pages of text. The results show that the ideas of self-regulation and the institutions of standard compliance have co-evolved. On the one hand, the ideas of self-regulation became more complex over time and increasingly incorporated the view that NGOs are mixed-motive actors, competition has its pros and cons, and establishing institutions of standard compliance is a way to address the adverse effects of competition. On the other hand, institutions of standard compliance became more differentiated over time. AN started with the definition of accountability standards, also covering NGO advocacy, and stepwise implemented reporting, monitoring and evaluation procedures. Although over time, AN incrementally strengthened these institutions for standard compliance, currently, secondary data indicates that standard compliance of AN's members in the day-to-day practice is still improvable.

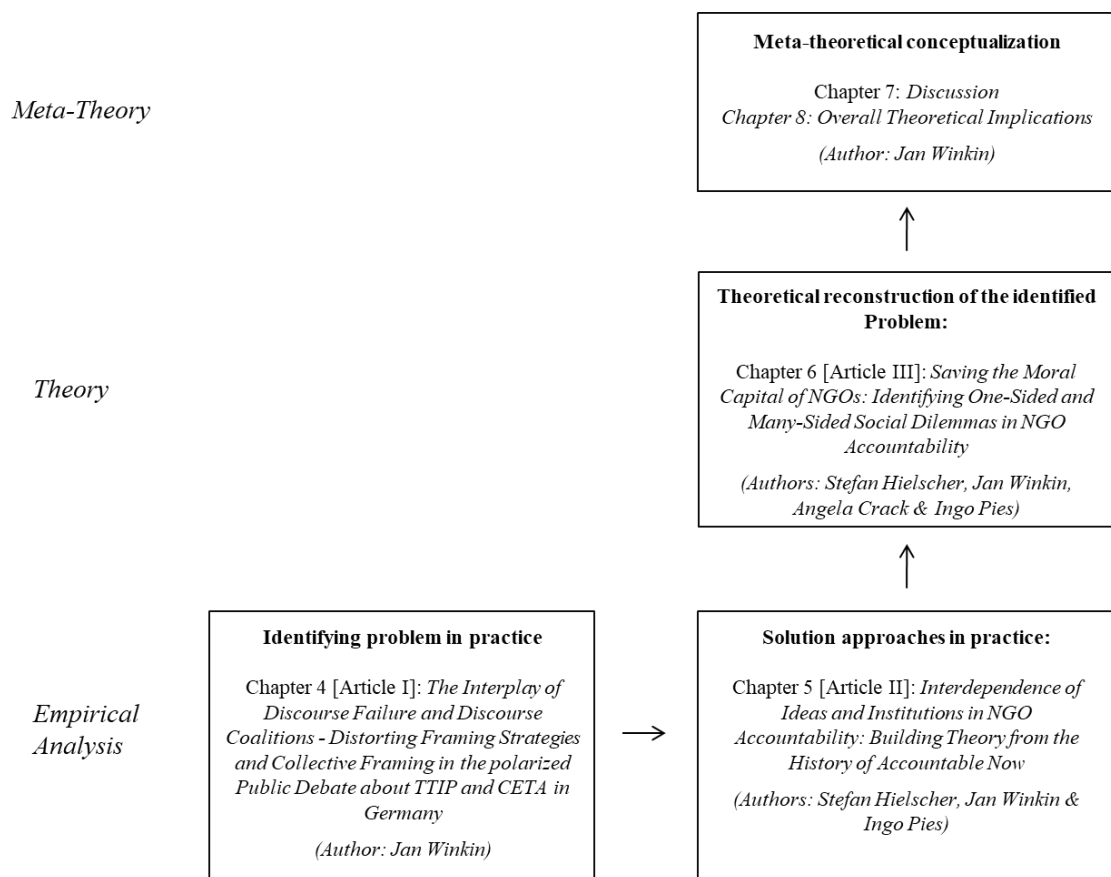


Figure 1-1. Argumentative structure

Chapter 6 (Article III) provides a theoretical reconstruction of the problem of discourse failure. The main contribution of this article is the identification of two different interaction problems in NGO accountability. First, the “stakeholder dilemma” (Hielscher et al. 2017) between NGOs and a single stakeholder takes the form of a one-sided social dilemma. NGOs are tempted to misrepresent stakeholder interests to achieve self-interested benefits such as attracting public attention or securing funds. Second, the “competition dilemma” (ibid.) among rival NGOs takes the form of a two-sided prisoners’ dilemma. NGOs are prompted to launch irresponsible campaigns to attract public attention for their missions, but unintentionally put their collective reputation at

risk. The main implication is that these two types of interaction problems need different solution approaches. While the stakeholder dilemma can be addressed by individual self-binding commitments, overcoming the competition dilemma requires collective self-binding commitments. Furthermore, both social dilemmas can overlap, which means that the capacity of NGOs to properly represent the interests of their stakeholders, including beneficiaries, is limited by the (unregulated) competition among rival NGOs to attract public attention and funding.

Chapter 7 depicts the overall discussion and merges the most important findings and implications of the three articles to a coherent ordonomic analysis of discourse failure in the NGO sector. This analysis can be used as a blue print to understand other deliberative systems, such as the political sector or the business sector. While the NGO sector widely shares deliberative values, ingrained in voluntary codes of conducts and accountability standards, it struggles to live up to its moral aspiration in practice (Schmitz et al. 2012). This decoupling of values and practice (ibid.) can be theorized to be the result of the “competition dilemma” (Hielscher et al. 2017; Chapter 5). Further, while sectoral accountability standards widely express deliberative values, the institutions of standard compliance provide only weak incentives to put these values into practice (Hammer et al. 2011). Against this backdrop, the case of AN (Hielscher et al. 2018, forthcoming; Chapter 4) strongly indicates that the moral self-concept of NGOs as pure promoters of the common good is part of the problem, because it hinders NGOs from grasping the pivotal role of incentives and the need to strengthen rule enforcement. In contrast, NGOs that see themselves as mixed-motive actors, pursuing societal interests and self-interests at the same time, can clearly envision the role of dysfunctional incentives and the advantages of strong institutions of standard compliance.

Second, analyzing the interdependence of three different scales of interaction in deliberative systems (organizational, sectoral, and cross-sectoral level) sheds light on the potential and limits of reform approaches. The organizational level focuses on the interactions between the single organization and its stakeholders. The sectoral level focuses on the interactions among peer organizations, whereas the cross-sectoral level focuses on the interactions among different sectors, such as the NGO sector, the business sector or the political sector. Notably, social dilemmas on different scales can overlap. For example, on the organizational level, stakeholder dialogues and surveys are a promising response to the stakeholder dilemma between NGOs and their beneficiaries. Nevertheless, the implementation of these organizational reforms is limited by the competition dilemma on the sectoral level. Conversely, sectoral standards for stakeholder participation, as a response to the competition dilemma, also support NGOs with proper incentives to overcome stakeholder dilemmas on the organizational level. Put differently, the competition dilemma on the cross-sectoral level among the NGO sector, the business sector and the political sector, limits the ability of NGO self-regulation to define and enforce suitable organizational standards for responsible advocacy in public discourse.

Chapter 8 summarizes the meta-theoretical implications for deliberative and rational-choice theory, and the literature on NGO accountability. The elaborated ordonomic analysis of discourse failure explains how institutions matter, and thus supports the initiated paradigm shift of deliberative theory (Mansbridge et al. 2012). In particular, the re-evaluation of self-interested behavior (Mansbridge et al. 2010) and the shift of focus to institutions (Bächtiger et al. 2010) are essential to reconceptualize discourse failure as the unintended outcome of social dilemmas. Thus, although sanctions are non-deliberative means, they are necessary to establish fair competition in

public discourse and to unlock the deliberative potential of NGOs, political and economic actors. Regarding rational-choice approaches, this dissertation demonstrates how ideas matter. In particular, normative ideas are fundamental to understand why some groups can successfully organize collective action, whereas others cannot. For the research on NGO accountability, the ordonomic approach provides a bridging framework for sociological and economic scholars. Above all, understanding the interdependence between ideas and institutions opens new and effective long-term strategies for organizing collective action, such as the creation of an enabling order for public discourse. Lastly, Chapter 9 provides the final remarks.

2 Literature Review

This chapter briefly reviews three academic debates that contribute to the understanding of public discourse and theorize its failure in different ways. So far, (1) deliberative approaches (Habermas 1992, Bächtiger et al. 2010, Mansbridge 2010; 2012) mostly provide power-centered explanations for discourse failure, whereas (2) rational-choice approaches (Pincione and Tesón 2006) describe discourse failure as the result of a dysfunctional incentive structure in public discourse. Although the (3) management literature on NGO accountability only indirectly addresses discourse failure, it provides various explanations why NGOs publicly misrepresent stakeholder interests (O'Dwyer and Underman 2010). As a final point, this chapter (4) identifies the specific strengths and blind spots of the reviewed debates.

((1)) Habermas' (1976; 1990) fundamental distinction between *Lebenswelt* and *System* set the stage for many explanations pertaining to discourse failure from a deliberative perspective. In the time since, discourse failure has also been denominated as a pathology of discourse (Habermas 1992) or defect of deliberative systems, which (Mansbridge et al. 2012) has mostly been theorized to be the result of misuse of power. According to Habermas (1976), it is foremost systemic actors, such as the media, corporations, or political actors, that foster discourse failure because they engage in the mode of strategic action.² As a counterpart to systemic actors, deliberative scholars view NGOs as an integral part of the *Lebenswelt* that follow the mode of communicative action.³ Accordingly, NGOs are defined to live up to deliberative values such as mutual respect, orientation toward mutual understanding and acting “on behalf of the common good” (Baur and Palazzo 2011, p. 579). Against this backdrop, Baur and Arenas (2014, p. 172) highlight that the unregulated interaction between NGOs and corporations in public discourse yields an “intrinsic value” because it “overcomes the above-stated instrumental bias which restricts deliberative democracy to institutionalized and semi-institutionalized settings.”

Nevertheless, deliberative empirical research shows that all actors, including NGOs, undermine deliberative values, specifically in the context of public discourse (Bächtiger et al. 2010, Dodge 2015; 2016). The few positive results indicate that deliberation was most successful in the context of small experimental polls (Fung and Wright 2003, Fishkin and Luksin 2005) that display strongly institutionalized settings. This is why leading proponents of deliberative theory question if approaches, that build on older approaches of Habermas, have the required analytical tools at hand to explain discourse failure as well as provide normative orientation. (Bächtiger et al. 2010, Mansbridge et al. 2010; 2012). “Owing to the inertia of its origins,” Warren (2007, p. 284) elucidates that “deliberative theories have been handicapped in analyzing institutionalized incentives.”

² “I shall speak of strategic action in the case of competing opponents insofar as they are determined by the intention of influencing each other's decisions in a purposive-rational way, that is, in a way oriented only to each's own success” (Habermas 1976, p. 2-3).

³ “I shall develop the thesis that anyone acting communicatively must, in performing any speech action, raise universal validity claims and suppose that they can be vindicated. Insofar as he wants to participate in a process of reaching understanding, he cannot avoid raising the following—and indeed precisely the following—validity claims: a) uttering something understandably; b) giving something to understand; c) making himself thereby understandable; and d) coming to an understanding with another person” (Habermas 1976, p. 2-3).

In response, deliberative theory is currently experiencing a paradigm shift consisting of three interrelated aspects. First, leading deliberative scholars (Mansbridge et al. 2012) have integrated self-interest into the definition of deliberation.⁴ Further, the new distinction between descriptive and normative deliberation substitutes the classical distinction between (deliberative) communicative action and (non-deliberative) strategic action. Consequently, deliberative research can now consider a much wider range of communicative practices that formerly have been excluded because of moral reservations. Second, empirical scholars postulate a shift of focus from intentions to contexts or conditions of deliberation (Bächtiger et al. 2010). Prior, only single scholars stressed the role of institutionalized incentives to promote good deliberation (Warren 2007, Thompson 2008).⁵ Third, Mansbridge et al. (2012) investigate democracies as complex deliberative systems consisting of different system components. The main appeal of the systemic approach is to “see more clearly where a system might be improved, and recommend institutions or other innovations that could supplement the system in areas of weakness” (ibid., p. 4).

However, the analysis of institutions and their incentive properties still plays a subordinate role in deliberative approaches (Bächtiger and Hangartner 2010). Symptomatically, Mansbridge et al. (2012, p. 22 ff.) adhere to rather classical power-based explanations for discourse failure. These authors explain that “institutional domination” is a defect that occurs if a dominant political actor unduly influences the media or civil society. Similarly, “social dominance” means that groups or classes “control or exert undue influence over many parts of the deliberative systems.” Finally, without a strong focus on the role of institutionalized incentives (Warren 2007), the aspiration of normative deliberative theory to “recommend institutions or other innovations” (Mansbridge et al. 2012, p. 4) remains wishful thinking.

((2)) In contrast to deliberative approaches, the systematic analysis of incentives is a particular strength of rational-choice approaches. As a case in point, Pincione and Tesón (2006) provide a blueprint analysis of discourse failure with the focus on the incentive structure under which actors (have to) engage in public discourse. According to these authors, “discourse failure” is an interaction problem that emerges from the interplay of several basic conditions of public discourse: the rational ignorance of the public audience; the complexity of public issues and the media bias; and the competition among political actors to win public support. These conditions incentivize actors to use framing strategies that exploit the fear of the public audience and heavily misrepresent policy issues. Thus, from this perspective, distorting framing strategies can be seen as a necessary evil for political actors to get heard.

However, while Pincione and Tesón (2006) provide a convincing explanatory account of discourse failure, their normative implications seem to be half-baked. In a nutshell, Pincione and Tesón (2006) see the state budget as a prize that the actors of the winning political coalition can distribute among themselves. Consequently, they recommend to reduce taxes and cut state spending radically. However, this reform proposal does not inverse incentives. It merely weakens the incentive for the single actor to foster discourse failure. Furthermore, the radical cut in public spending cripples the

⁴ Following Dryzek (2000, p. 76), deliberation is a form of “mutual communication that involves weighing and reflecting on preferences, values and interests regarding matters of common concern.”

⁵ The coincidence of both conceptual innovations, the integration of self-interest into the definition of deliberation and the focus shift on the conditions of deliberation, is most probably not coincidental. For example, Jürgen Habermas (1992) acknowledged the importance of institutionalized incentives for self-interested actors that act in the mode of strategic action.

capacity of democratic states to provide public goods, which in return yields severe risks for the legitimacy of democratic states. In sum, this reform proposal might produce more harm than good.

In contrast to deliberative theory, rational-choice approaches rarely incorporate the role of normative ideas into their analysis. A narrow research perspective yields the risk of naturalizing the existence of a particular incentive structure. As a case in point, Pincione and Tesón (2016) speak of the “basic conditions of public discourse” that are immutable. However, norms and values can not only influence the strategic choices of single actors, more importantly, they can facilitate or hinder the establishment of new institutions (Pies et al. 2010, Pies 2016). Consequently, the incorporation of the role of normative ideas will enrich rational-choice analyses of discourse failure; especially when providing normative guidance on why and how to change the dysfunctional incentive structure of public discourse.

((3)) The literature on NGO accountability focuses on organizational challenges of NGOs. Hence, the concept of NGO accountability is a response to urgent legitimacy questions (Brown 2008). In relation to the malfunction of public discourse, a severe accountability problem of NGO advocacy is the misrepresentation of stakeholder interests (Prakash and Gugerty 2010b, O’Dwyer and Unerman 2008). The explanations for accountability deficits vary depending on the theoretical approach. On the one hand, economic approaches (Prakash and Gugerty 2010a; 2010b) emphasize that NGOs lack incentives to foster accountability because beneficiaries often only have weak sanction potential compared to donors and funders. On the other hand, sociological approaches (Ebrahim 2003, Crack 2014;2016) diagnose a lack of awareness regarding the importance of NGO accountability or quote power asymmetries among stakeholder groups with diverging interests (O’Dwyer and Unerman 2008). Therefore, these scholars propose to foster joint learning efforts of NGOs (Crack 2016) and demand to prioritize the interests of marginalized stakeholders (Murtaza 2012). With a focus on the sectoral level, single scholars (O’Dwyer and Unerman 2008, Brown 2008, Crack 2016) highlight the potential of self-regulation to promote NGO accountability.

However, although many NGO leaders aspire to better incorporate the views of their beneficiaries, they struggle to do so in practice (Schmitz et al. 2012). Thus, it remains an open question why NGOs misrepresent stakeholder interests, although they urge contrary intentions. Consequently, Schmitz et al. (2012, p. 1190) call to investigate the “internal and external constraints limiting innovative accountability practices.” While internal constraints of NGOs include their normative ideas, external constraints refer to the incentive structure in which NGOs have to operate. Henceforth, the research on NGO accountability will benefit from a bridging framework that integrates normative ideas and institutionalized incentives in one analysis.

((4)) The three academic debates have provided invaluable contributions to the understanding of the functions of public discourse and outline elaborate approaches that explain its failures. Nevertheless, the current state of research also yields several deficits. First, the deliberative theory struggles to understand and address discourse failure as a systemic and incentive-based process. Hence, the blind spot of deliberative approaches are the institutions and their incentive properties (Warren 2007) under which actors (have to) participate in public discourse (Bächtiger et al. 2010). Second, although rational-choice scholars provide a blueprint analysis on how to explain discourse failure that stems from a dysfunctional incentive structure, they disregard or downplay the role of normative ideas and struggle to propose effective reforms (Pincione and Tesón 2006).

Consequently, both deliberate theory and rational choice can benefit from a bridging approach that equally investigates the role of normative ideas and institutions, and their interplay. Third, the management literature uses NGO accountability as an application-orientated concept to address organizational and sectoral problems such as the misrepresentation of stakeholder interests (Brown 2008). On the one hand, economic approaches focus on institutions, while on the other hand, sociological approaches focus on ideas. Thus, the research on NGO accountability will benefit from a bridging framework that can consider the institutional and ideational aspects. The next chapter presents the ordonomic approach that systematically focuses on normative ideas and institutions, and their interplay in order to provide a fertile analysis of the challenges of organizations in public discourse.

3 Research Perspective: The Ordonomic Approach

This chapter depicts the key idea and basic assumptions, as well as the three analytical levels of the ordonomic approach (Pies et al. 2009, Pies et al. 2010, Beckman et al. 2014, Pies 2016, Will and Pies 2016). For each of the three analytical levels, I formulate a guiding research hypothesis that guides and aligns the following articles.

As a starting point, the key idea is that the evolution of modern society constantly creates discrepancies between ideas and institutions (Pies et al. 2009, Valentinov et al. 2013).⁶ Hence, moral issues arise if ideas of moral conduct drift apart from the institutionalized incentives to act according to them. The particular strength of the ordonomic approach is to systematically analyze these discrepancies and to propose suitable ideational or institutional reforms to realign them (Pies et al. 2009). Following rational-choice theory (Becker 1992), rationality is understood as an open concept, where actors are simultaneously driven by societal interests and self-interests. Moreover, methodological individualism (Arrow 1994) is an important assumption, because it states that in order to be able to explain social outcomes, it is essential to understand the choices of individuals. However, depending on the particular research question, the analysis can focus on the strategic choices of individuals, organizations or broader collective entities.

Irrespective of the focus on individuals or collective actors, Pincione and Tesón (2006) prove that it is highly insightful to explain discourse failure as the result of rational interaction. Consequently, Dryzek's (2000, p. 76) "minimalist definition of deliberation" (Mansbridge 2015) is a good springboard for the following analysis, because it does not yield normative expectations but incorporates interaction as a necessary condition. According to Dryzek (2000, p. 76), deliberation is a form of "mutual communication that involves weighing and reflecting on preferences, values and interests regarding matters of common concern." Thus, good deliberation can be conceptualized as the collective provision of deliberative functions such as evidence-based arguments, mutual trust, and inclusive decision making (Mansbridge et al. 2012). Finally, reformulating successful deliberation as a cooperative effort of actors with individual and shared interests paves the way to understand its failure as a collective action problem.

Against this backdrop, the distinction of three related levels of social interaction will prove to be illuminating for the analysis of discourse failure and can provide normative guidance on how to address it.

On the level of the moves in the game, the ordonomic approach uses social dilemmas as a theoretical lens to provide counter-intuitive explanations for non-intentional outcomes of social interaction (Pies et al. 2009). Thus, in the deliberative context, a social dilemma is a situation (for a general definition, see Beckmann et al. 2014, p. 26), in which actors use individually advantageous communication strategies but fail to realize the collective co-production of good arguments, mutual trust, and inclusive decision-making. As a case in point, Will and Pies (2016) explain and highlight the usage of distorting framing strategies by NGOs as a systemic result of the dysfunctional incentives structure of public discourse. Thus, discourse failure can lead to collective self-damage including the polarizations of public debates or political gridlock (Dodge 2015; 2017). Even worse, discourse failure translates into regulation failure if politicians implement ineffective or even harmful, but popular reforms (Will and Pies 2016).

⁶ Instead of speaking of ideas and institutions, ordonomic scholars also use semantics and social structure as alternative terms (e.g., Pies et al. 2009, Beckmann et al. 2014).

Furthermore, if the public audience perceives that NGOs are not acting according to their self-determined values, public trust is likely to degenerate. Most importantly, these outcomes, such as political gridlock, regulation failure or degeneration of public trust, are not intended by any of the involved actors.

On the level of rules of the game, the ordonomic approach focuses on institutions that provide incentives for actors to adapt to or avoid certain moves in the game. As institutions and their incentive properties are not given by any natural order, actors can change them to play better games (Pies et al. 2009). In deliberative contexts, actors can implement institutional reforms that sanction the use of distorting framing strategies and the promotion of discourse failure. A legitimate objection against the regulation of public discourse is the risk of state censorship. Nevertheless, a self-regulation approach can dispel these reservations, because collective initiatives in the NGO sector, the business or political sector are unlikely to set standards that contradict their interests and values. Furthermore, instead of substantive standards that exclude specific issues, procedural standards can regulate the way actors engage in public discourse. Importantly, these standards need to be underpinned by enforcement mechanisms that create prohibitive incentives for compliance.

On the level of the discourse about the rules of the game, actors discuss suitable standards for moral behavior in public discourse to which Thompson (2008, p. 515) has referred to as “meta deliberation.” In this rule-finding process, normative ideas are crucial. On the one hand, normative ideas can complicate forging an appropriate problem definition. For example, “win-lose semantics” (Pies et al. 2009, p. 379) are normative ideas that assume an antagonistic relation between self-interests and societal interests. Consequently, actors guided by win-lose semantics perceive problems as moral dilemmas and can only imagine solution approaches of limited use in which societal interests can be fostered at the costs of self-interests or vice versa. On the other hand, normative ideas can fertilize discussions revolving around suitable rules. As a case in point, win-win semantics (Pies et al. 2009, p. 379) are normative ideas that acknowledge conflicts between self-interest and public interest but negate their definitional incompatibility. Instead, actors guided by win-win semantics are well-equipped to think of and develop innovative solution approaches that foster both, self-interests and societal interests.

Each of the three analytical levels provides a research hypothesis that pervades the following three articles. According to the level of the moves of the game, hypothesis I states that *the dysfunctional incentive structure systemically causes discourse failure*. As a case in point, chapter 4 identifies the problem of discourse failure in the public debate regarding the two trade agreements TTIP and CETA in Germany. In particular, NGOs, as well as economic lobby groups, use distorting framing strategies. Chapter 5 presents an overview of secondary data that documents how members of the NGO self-regulation initiative Accountable Now (AN) fail to comply with common standards regarding responsible advocacy and stakeholder participation. Consequently, in Chapter 6 I argue that discourse failure is the result of different social dilemmas, such as the competition and the stakeholder dilemma.

Regarding the level of the rules of the game, hypothesis II declares that *institutions shape the incentive structure of public discourse*. The longitudinal case study about AN (Chapter 5) documents how NGOs collectively develop accountability standards and implement institutions of standard compliance such as reporting, monitoring, and evaluation procedures. From a theoretical standpoint, sectoral self-regulation displays a

collective commitment that can address the competition dilemma among NGOs (Chapter 6). Further, the introduction of organizational accountability reforms is a means to address the stakeholder dilemma that causes the misrepresentation of stakeholder interests.

Concerning the level of the discourse about the rules of the game, hypothesis III states that *normative ideas shape institutions*. Here, the case study on AN (Chapter 5) extensively documents how ideas of self-regulation and institutions of standard compliance co-evolved over a period of more than ten years. These empirical results indicate that ideas of self-regulation that regard NGOs as exclusively value-driven actors, hinder the establishment of institutions. In contrast, ideas of self-regulation that view NGOs as equally driven by self-interest and societal interests are useful to implement institutions that effectively address the problem of discourse failure.

4 The Interplay of Discourse Failure and Discourse Coalitions - Distorting Framing Strategies and Collective Framing in the polarized Public Debate about TTIP and CETA in Germany

Jan Winkin

Public discourse literature that focuses on public policies has largely treated discourse failure and discourse coalitions as two independent concepts. This paper adopts a theory-building case study approach to explore the relationship between both concepts from a rational-choice perspective. The case study investigates the strategic framing choices of four NGOs and one industrial lobby group in the context of the polarized public debate regarding the two trade agreements TTIP and CETA in Germany (2015-2017). The findings show that all actors apply distorting framing strategies, whereby the four NGOs forge a discourse coalition against TTIP and CETA. Based on these empirical findings, the relation between discourse failure and discourse coalitions is conceptualized as two interdependent social dilemmas: the public debate game and the discourse coalition game. Theorizing the interplay of discourse failure and discourse coalitions yields theoretical and normative implications for the literature.

Keywords: Discourse Failure, Discourse Coalition, Framing Strategies, Case Study, TTIP, CETA

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4.1 Introduction

The so-called “chlorinated chicken” was invoked to arouse emotions and mobilize protest against the Transatlantic Trade and Investor Partnership (TTIP), an international trade agreement between the US and the EU. Symbolizing the imagined risks of US food imports for the health of European citizens, the chlorinated chicken became a media darling and a popular icon of the civic protest movement against TTIP in Germany. Shortly after, the German Federal Institute for Risk Assessment (BfR 2014) assured that the use of chlorine to disinfect butchered chicken is harmless. From this moment onwards, the chlorinated chicken became a burden. While opponents of TTIP feared that the chlorinated chicken would deflect the attention from ‘really’ essential aspects, supporters of TTIP used it to delegitimize the civic protest movement. Nonetheless, the broad civic coalition in Germany against TTIP, including NGOs, grassroots movements, labor unions, church and cultural associations, was extremely successful. In October 2015, about 150.000 protesters gathered for the biggest demonstration in Berlin since the Anti-Iraq-War protests in the early 2000s. Moreover, in the following years (2015-2017), the public support for TTIP in Germany strongly declined (Eliasson and García-Duran 2016, p. 5).

This anecdote of the chlorinated chicken illustrates two critical aspects that the literature on public discourse (Hielscher et al. 2017), public deliberation (Mansbridge et al. 2012) or political discourse (Leifeld 2018) mainly approaches as independent phenomena. First, instead of trusting in the “unforced force of the better argument” (Habermas 1983, p. 132; see also Bächtiger et al. 2010), policy entrepreneurs often rely on controversial and distorting framing strategies (Dodge 2015, Will and Pies 2016) that can lead to “discourse failure” (Pincione and Tesón 2006). Second, policy entrepreneurs develop policy networks (Leifeld and Haunss 2012) and forge discourse coalitions (DC) (Hajer 2002, Dodge 2017) in order to gain dominance in public discourse. In this process, shared frames and ideas function as “coalition magnets” (Béland and Cox 2016, Siles-Brügge 2017) aimed at converting discursive power into political reforms. However, if two strong DCs oppose each other, public discourse can reach the status of polarization⁷ that can foster and entrench political gridlock (Dodge 2015). Against this backdrop, this paper contributes to a better understanding of the relations between discourse failure and discourse coalitions (DCs).

In this case a comparative frame analysis, using the method GABEK (Zelger 2002, Winkin 2018), based on ca. 125 press releases, enables the reconstruction of “frames as clusters of frame elements” (Matthes and Kohring 2008). Considering frames as products of numerous strategic choices, the results show that all actors used distorting framing strategies. Here, distorting means that actors consistently ignore arguments of their political opponents. Furthermore, the four NGOs created a joint portfolio of shared frame elements and arguments against TTIP and CETA (frame content) that arguably constitute a shared policy frame.

Using a rational-choice approach (Pincione and Tesón 2006, Will and Pies 2016, Hielscher et al. 2017), the case study’s findings are reconstructed to be the outcome of two interdependent social dilemmas. First, the public debate game conceptualizes “discourse failure” (Will and Pies 2016) as the unintended outcome of rational players

⁷ Polarization as a state “refers to the extent to which opinions on an issue are opposed in relation to some theoretical maximum,” while polarization as a process “refers to the increase in such opposition over time” (DiMaggio et al. 1996, p. 693).

adapting distorting framing strategies. Second, the discourse coalition game recaptures the joint creation and diffusion of shared policy frames as a collective action problem within DCs. Henceforth, “trading frame elements” is theorized as a form of conditional cooperation that discourages free-riding behavior. Third, theorizing the interdependence of both games, explores the relationship between discourse failure and DCs. In particular, interdependence means that changes of strategy in one game influences the rules of the other game, and vice versa.

The interdependence of discourse failure and DCs yields several essential implications. While prominent deliberative contributions (Mansbridge 2012) explain that discourse failure is caused by the (ab)use of power, this analysis proposes that the generation of power in DCs is a reinforcing symptom of discourse failure. Further, the root causes of discourse failure lie in dysfunctional incentives that prompt actors to use distorting framing strategies to win public support. Due to the social dilemma logic of the public discourse game, changes of the strategy by single actors (moves of the game) are not effective in overcoming discourse failure. Instead, reform approaches should focus on changing the rules of the game through collective self-regulation that define and enforce standards of responsible advocacy and lobbying (Hielscher et al. 2017).

4.2 Literature review

This literature review presents the invaluable academic contributions that investigate either discourse failure or discourse coalitions. Subsequently, it points out that the interplay between both concepts is an open question, outlines social dilemma, and categorizes them as a useful heuristic lens to address this theory-gap.

4.2.1 Discourse failure

Academic scholars from different theoretical strands (Valentinov et al. 2013, Will et al. 2017) ascribe policy entrepreneurs⁸ (Béland and Cox 2016), and especially NGOs,⁹ a constructive role in the public discourse on policy issues. Especially for advocates of deliberative democracy (Habermas 1992, Mansbridge et al. 2012), NGOs yield a high “deliberative potential” (Dodge 2015) to raise the discourse quality regarding reflexivity and responsiveness because they are meant to follow the logic of “communicative action” (Habermas 1976) and “prove that [their] demands are not grounded in particular interests but rather in public interests” (Baur and Palazzo 2011, p. 591).

However, empirical studies indicate that NGOs also play a destructive role in public discourse and undermine the Habermas’ ideal of public deliberation (Dodge 2015, 2017). For example, NGOs circulate hate speech (Horsti 2012), exclusively focus on political elites (Lang 2013), or engage in hyperbolic media publicity to boost fundraising (Powers 2016). Moreover, NGOs overwhelmingly simplify policy issues, blind out promising reform approaches, and even misinform the general public (Will and Pies 2016). NGOs for example, initially framed rising food prices as a threat to the poor and vulnerable in countries of the global south during the food crisis in 2007 (Swinen and Squicciarini 2012). Only a few years later, the same NGOs blamed falling food prices for the plight of the poor and vulnerable.

⁸ Béland and Cox 2016 (p. 429) define “policy entrepreneurs” as “individual or collective actors who promote certain policy solutions.”

⁹ Following Martens, (2002, p. 282) NGOs are defined as “formal (professionalized) independent societal organizations whose primary aim is to promote common goals at the national or the international level.”

Against this backdrop, deliberative scholars (Mansbridge et al. 2012) mainly assess “defects of deliberative systems” to be rooted in the asymmetric distribution of power. In a nutshell, economic or political actors pursuing particular interests misuse their power to manipulate public discourse (Habermas 1992). Representatively, Mansbridge et al. (2012, p. 22 ff.) highlights that “institutional domination” or “social domination are forms of discourse failure that arise due to the control of the media or civil society by political actors, social groups or classes. From this perspective, the general problem of discourse failure – power interference – is also the necessary response (Mansbridge et al. 2010, p. 83):

[A] discordant use of power consonant with deliberation arises in attempts to achieve balance when one party in a negotiation has more power resources than the other party and intends to use those resources to achieve her ends against the other’s interests or in other ways to depart from the deliberative ideal.

Therefore, derogations from the deliberative ideal can be justified, if the goal is to neutralize power in public discourse and for the sake of self-defense (Mansbridge et al. 2010, p. 83ff.). In this line of argument, Baur and Palazzo (2011, p. 592; referring to Fung 2005) state that NGOs should (only) use non-deliberative strategies as “ultima ratio” if “they encounter unfavorable circumstances such as hostility of powerful actors (i.e., extreme failure of the will to reciprocity) or extreme inequality.” However, Mansbridge et al. (2010, p. 83) also acknowledge the risk of escalation because a “self-serving bias often leads participants somewhat to overestimate the amount they must do to redress a balance.”

Instead of a power issue, the rational-choice scholars Pincione and Tesón (2006) conceptualize discourse failure as the result of dysfunctional incentives. In particular, political actors have to engage in public discourse under three unfavorable conditions: the rational ignorance of the public audience, the high complexity of policy issues, and competition to attract public attention. These conditions incentivize the use of distorting framing strategies that systematically blind out arguments of political opponents. While this blueprint analysis (Pincione and Tesón 2006) provides a convincing explanation for discourse failure as an interaction problem, it exclusively focuses on political actors. Addressing these shortcomings, Hielscher et al. (2017, p. 1) theorize that NGOs launch “irresponsible campaigns” because they are trapped in a “competition dilemma.” In such a situation, the use of distorting framing strategies is a necessary evil to get heard in public debate.¹⁰ However, if the public audience becomes aware of the use of distorting framing strategies, NGOs risk putting their collective reputation at risk (ibid.). Finally, in the case of success, distorting framing strategies can pressure political decision-makers to conduct ineffective or even counterproductive reforms (Will and Pies 2016).

4.2.2 Discourse coalitions

Instead of being lone fighters, NGOs cooperate in discourse coalitions (DCs) that are “loose networks of actors that develop and sustain a way of interpreting a policy issue” (Dodge 2017, p. 8; referring to Hajer 2002). Consequently, DCs diffuse their frames or arguments with the aim to dominate public discourse around a specific policy issue

¹⁰ Likewise, NGO leaders perceive the “competition dilemma” as a moral dilemma, in which NGOs must stand strong against illegitimate media demands. For example, the current spokesperson of the German NGO Campact highlighted that “[...] the media has almost Olympic demands that [NGO] activities must be ‘higher, faster, further.’ Ones [NGOs] must not succumb to this pressure of ever-expanding [media] demands” (Koch 2009, p. 114, own translation).

(Leifeld and Haunss 2012). Some scholars point out that, instead of formal relationships, resources, or beliefs, shared frames bind the participants together (Hajer 2002, Dodge 2015). Thus, shared frames are theorized to be the driver [*input*] for the formation of DCs that constantly reframe a certain policy issue in an ongoing public debate (Dewulf et al. 2009). Leifeld and Haunss (2012, p. 4) argue that “discourse coalitions have to be relatively stable with regard to their core (most central) frames [*output*] and actors’ in order to influence public opinion and policy processes.

The success in a public debate depends on the single DC’s capacity to “attract a large constituency, [...] stand united against competing coalitions,” integrate frames into a “consistent story-line,” and to use a limited number of arguments (Leifeld and Haunss 2012, p. 4). The importance of collective framing for advocacy success (Junk and Rasmussen 2018) resonates well with the concept of ideas as “coalition magnets” (Béland and Cox 2016, p. 429). These ideas can appeal “to a diversity of individuals and groups and can be used strategically by policy entrepreneurs [...] to frame interests, mobilize supporters and build coalitions.” Accordingly, an idea becomes a coalition magnet if it is “manipulated by policy entrepreneurs,” “promoted by decision-making authorities,” and “brings together actors” that formerly perceived their interests to be mainly conflicting (ibid., p. 429).

4.2.3 Research gap, research objectives, and theoretical perspective

Currently, the literature on public discourse has fostered our understanding of discourse failure and discourse coalitions, but mainly treats them as independent concepts. While deliberative scholars (Mansbridge et al. 2010; 2012, Baur and Palazzo 2011) see power interference as the cause as well as cure for discourse failure, rational-choice scholars (Pincione and Tesón 2006, Will and Pies 2016) view discourse failure as the result of dysfunctional incentive structures. Moreover, the literature embraces the concept of discourse coalitions as groups of cooperating actors aiming to gain dominance in public discourse to foster specific political reforms (Leifeld and Haunss 2012). Apart from single contributions (Dodge 2015), it remains an open question how both concepts are related to each other.

Thus, this paper’s objective is two-folded. First, it *empirically documents* discourse failure and the formation of DCs. Second, based on the empirical findings, this paper develops a *theoretical heuristic* to explain the interplay between discourse failure and DCs from a rational-choice perspective. Typically, rational-choice approaches feature an open concept of rationality (Becker 1992), methodological individualism, and a clear differentiation between “moves in the game” and “rules of the game” (North 1991). Moreover, using social dilemmas as a heuristic lens (Pies et al. 2009, Will and Pies 2016, Hielscher et al. 2017) provides counter-intuitive explanations on how strategic framing choices can unintentionally lead to undesired outcomes (Will and Pies 2016) or how groups of actors can overcome collective action problems (Pies et al. 2009). In general, rational-choice approaches resonate well with the research on strategic communication (Hallahan et al. 2007) that assumes that communication serves particular ends or interests. Finally, this assumption is also the “key idea of framing” (Matthes 2012, p. 253, see also Entman 2003).

4.3 Theory-building case study: Strategic framing choices in the public controversy about TTIP and CETA in Germany

The policy field of international trade is highly relevant because the bilateral and multilateral trade agreements can foster economic growth and wealth of the negotiating parties (Eliasson and García-Duran 2016). Moreover, creating a global institutional order for fair international trade displays promising leverage to fight poverty worldwide, especially in developing countries (Pogge 2005).

Academic scholars intensively discuss (De Ville and Siles-Brügge 2016; Eliasson and García-Duran 2016; Young 2016; Siles-Brügge 2017) the impact of preferential trade agreements (PTAs) (Dür and Elsig 2015) such as the Transatlantic Trade and Investment Partnership (TTIP) between the EU and the US. On the one side, De Ville and Siles-Brügge (2016) fear that TTIP displays a severe threat to European democracies because it could foster a “regulatory chill.” On the other hand, Bièvre and Poletti (2016, p. 1) argue that “regulatory convergence is generally decided upon in a piece-meal fashion.” Thus, these authors deem “concerns that TTIP will lead to socially unacceptable outcomes” to be “illogical” (ibid.) and stress the potential of TTIP to even raise global trade standards.

While the investigation of strategic framing choices in a highly relevant policy field is a promising endeavor on its own, this case study shall support theory building to understand the relations between discourse failure and discourse coalitions. Following Eisenhardt (1989), especially the investigation of extreme cases serves theory building, because characteristics, structures, and patterns manifest themselves more prominently compared to average cases. Hence, the case was chosen due to three extreme features. First, the public debate on TTIP and CETA was strongly polarized. On the one side, supporters of TTIP, such as economic lobby groups or the European Commission, highlighted TTIP’s potential to create jobs, increase investment, and foster economic growth. On the other hand, a European civic protest movement created “unexpected and unprecedented public opposition” (Eliasson and García-Duran 2016; see also Young 2016) claiming that TTIP would be a severe threat to democracy. The two coalitions fiercely attacked each other and continuously tried to undermine the credibility of their antagonists (Siles-Brügge 2017).

The second outstanding feature is the overwhelming success of the civic protest against TTIP and CETA, particularly in Germany. During the running campaign, public support for TTIP in Germany dropped heavily from 55 percent in April 2014 to 17 percent in April 2016. In comparison, the EU-wide support shrunk only slightly from 59 to 52 percent between April 2014 and November 2015 (Eliasson and García-Duran 2016, p. 5). According to police sources, the civic campaign mobilized about 150,000 protesters for a demonstration in Berlin in September 2016. Due to Germany’s critical role in the EU, the intense public pressure on the German federal government at least prolonged the TTIP negotiations. For example, the then German Minister of Economic Affairs Sigmar Gabriel temporarily declared that TTIP negotiations had failed. In the meantime, US President Donald Trump’s protectionist approach to international trade politics has currently frozen TTIP negotiations.

The third extreme feature of the public controversy is the use of emotive framing strategies (Siles-Brügge 2017) by the civic protest movement that is considered to be decisive in order to explain its success. Moreover, the civic protest movement created a shared frame that according to Siles-Brügge, (2017) took the role of a coalition magnet

so it could be used by a broad spectrum of civic actors. While this frame analysis (ibid.) profoundly contributes to the understanding of the role of emotions in framing strategies and the formation of DC, the relation between DC and discourse failure remains an open issue.

4.3.1 Data and method

The data sample covers four NGOs that represent the heterogeneity of the civic protest movement against TTIP and CETA regarding size and mission. This selection reflects the view that DCs are groups of actors that collectively engage in the process of framing (Junk and Rasmussen 2018):

- Greenpeace Germany is one of the biggest Advocacy NGOs in Germany that focuses on environmental protection.
- Campact is a small Advocacy NGO that provides online platforms for protest with a broad thematic spectrum including democracy, consumer protection, etc.
- The German Association of Labor Unions (DGB) is an umbrella organization that bundles the interests of sectoral labor unions with several million members. Unsurprisingly, its mission is the social protection of workers.
- The initiative Companies for Fair Trade is a small grassroots organization founded in 2015 that claims to represent the interests of small- and medium-sized enterprises (SME).

Additionally, the data sample includes an industrial lobby group to compare framing strategies of supporter and opponents of TTIP and CETA:

- The Association of German Industries (BDI) is a traditional lobby group that advocates for the interest of the German industry including car industry, pharma industry, biotech, and so forth. The BDI's mission is to promote the international competitiveness of the German industry.

In total, the data incorporates 126 press releases with a thematic focus on international trade policy published during the public controversy on TTIP and CETA in the period between 2015 to 2017 (Table 4-1). The data was publicly accessible on official websites. In general, the press release is an ideal format for a comparative frame analysis because actors use it to articulate their political positions pointedly in public debates.

While there are plenty of methodical approaches to conduct frame analysis (Matthes et al. 2016), there are severe doubts about the validity and reproducibility of the reconstructed frames. For example, Matthes and Kohring (2008, p. 260) stress that “[w]ithout naming the criteria for the identification of frames, their assessment falls into a methodological black box.” Therefore, the decomposition of frames in elements and the use of computer-supported cluster analysis are major methodical innovations (Matthes 2009, Matthes et al. 2016). For this reason, the study uses the qualitative-quantitative method GABEK¹¹ (Zelger 2000) to reconstruct frames in a rigorous way (Winkin 2018). Following Wittgenstein's (1967, p. 35) hypothesis that the use of a concept in speech practice defines its meaning, the method GABEK reconstructs the meaning of concepts by revealing connections between relevant semantics (Zelger and

¹¹ The Austrian philosopher Joseph Zelger (2000) developed the method GABEK and the supportive computer program WinRelan©.

Oberprantacher 2002). From a framing perspective, relevant semantics can be interpreted as frame elements, whereby causally linked elements form “clusters of elements” that can be considered “frames” (Matthes and Kohring 2008, p. 263).

Table 4-1. Organizations and data

Organization	Type of organization	Main focus	Number of press releases	Number of text units	Number of keywords
Greenpeace Germany	Advocacy NGO	Environmental protection	26	339	413
Campact	Advocacy NGO	Democratic education & civic engagement	49	665	725
German Association of Labor Unions (DGB)	Umbrella organizations of labor unions	Workers interests and rights	18	312	409
Companies for Fair Trade	Initiative of Small Businesses	Fair global trade	20	205	363
Association of German Industry (BDI)	Umbrella organizations of industrial enterprises	International competitiveness	13	109	229
			$\Sigma = 126$	$\Sigma = 1649$	1426 (no double counting)

The reconstruction of frames with the method GABEK proceeds in five steps (Winkin 2018). First, the researcher divides the text data into text units (1-2 sentences) that precisely entail one message. Second, the researcher codes every text unit with three to nine keywords. This procedure is referred to as “object-linguistic coding” (Zelger and Oberprantacher 2002, p. 5). Taken together, the keywords of one text unit summarize its basic message. Third, the researcher codes the evaluation of every keyword (no evaluation, positive, negative, or neutral) and the causal relations (keyword X/Y causes more/less keyword Y/X). Fourth, the computer-supported method GABEK provides relevance and evaluation lists (Appendix 1-5) of the most relevant keywords. The absolute relevance of a keyword is operationalized as the sum of causal and evaluative codes. Using a comparative relevance measure (CRM) enables the researcher to compare the relevance of keywords within and between data samples that differ in their size but originate from the same format (e.g., press releases).¹² As a preliminary result,

¹² The comparative relevance measure Top-20 (CRM20) relates the absolute relevance of one keyword (K) to the absolute average relevance (aR20) of the twenty most relevant key word of one data sample (DS) (Winkin 2018). For example, CRM20_CETA_Greenpeace=3,25 means that the relevance of the keyword CETA is 3,25 times higher than the average relevance of the twenty most relevant elements of the data sample of Greenpeace Germany (Appendix 1). In comparison, the CRM20_CETA_Campact=5,89 shows that the NGO Campact focus even stronger on CETA in their public communication than Greenpeace Germany.

the twenty most relevant keywords are understood to be frame elements. Although limiting the selection of frame elements to the number of twenty can be viewed as arbitrary, this choice represents a good compromise between reducing complexity while maintaining interesting details. In the fifth step, starting with the most relevant frame element, the researcher connects the frame elements based on the causal coding.

4.3.2 Results: the reconstructed frames of opponents and supporters

The causal network graphics (Figures 4-1 and 4-2; Appendix 6 to 8) represent the reconstructed frames as clusters of elements. The denominations of the frame elements describe the frame content, whereas the evaluative quality of the frame elements and their connections display the frame structure. Frame elements are symbolized as bubbles, their evaluations as (+) or (-), and causal relations are plotted as connections. A connection directing to a plus means *lead to* or *lead to more*, while a connection directing to a minus means *lead not to* or *lead to less*. Additionally, the strength of a single connection is defined by the factor *n* that counts the number of causal codes. For example, in Figure 4-1, the causal connection between Greenpeace activists (+) and TTIP/CETA (-) has the factors *n*=5. Therefore, this causal relation has been coded five times in the data subsample of Greenpeace.

A standard feature of all frames is that the most relevant keywords “CETA” and “TTIP” (Appendix 1-5) can be considered to be one element because the statistical neighborhood and the functional equivalency are very high. The findings show that the keyword “TTIP” appears in more than 50 percent of the cases together with the keyword “CETA” in the same text unit. Also, in these cases, both keywords execute the same causal functions. For example, Greenpeace Germany states:

CETA is TTIP’s dangerous sibling. Both trade agreements would create a parallel jurisdiction for corporations that can take EU member states to court suing payments worth billions [of euros]. (Ai5)¹³

The following passages present the frames of the (1) opponents and (2) supporters of TTIP and CETA.

((1)) Greenpeace Germany’s CETA/TTIP-frame (Figure 4-1) shows a polarized structure with negative frame elements on the one side and positive frame elements on the other side. Additionally, the frame is logically consistent, which means that positive elements promote positive elements or weaken negative elements, and negative elements promote negative elements or weaken positive elements (Winkin 2018). Regarding the frame content, “CETA/TTIP” (-) has a negative impact on “consumer protection” (+), “environmental protection” (+), “democracy” (+) as the following statement illustrates:

CETA is meant to be the blueprint of the by far more encompassing trade agreement TTIP. Both [TTIP and CETA] threaten to weaken high standards for environmental, climate and consumer protection. (Ap9)

Taking a closer look, “CETA/TTIP” promotes “courts of arbitration” (-) that creates the “right-to-sue for companies” (-) and undermines “European standards” (-):

$$\text{CRM20}_{K;DS} = \frac{\text{absolute Relevance (R) of Single Keyword (K) of specific Data Sample (DS)}}{\text{absolute average Relevance of Top 20 Keywords (aR20) of specific Data Sample (DS)}} = \frac{R_{K;DS}}{aR20_{DS}}$$

¹³ (Ai5) is number of the underlying text unit.

Courts of arbitration and the regulatory cooperation threaten to undermine standards. For many years, civil society has been fighting to establish these standards. (Aa9)

Further, “EU-Standards” (+) weaken “genetic engineering” (-) and foster “consumer protection” (+) as well as “environmental protection” (+):

These [leaked] papers are the evidence that the secret negotiations related to TTIP and CETA should lower the standards for genetic engineering’ says the spokesperson of Greenpeace [...]. (Ab5)

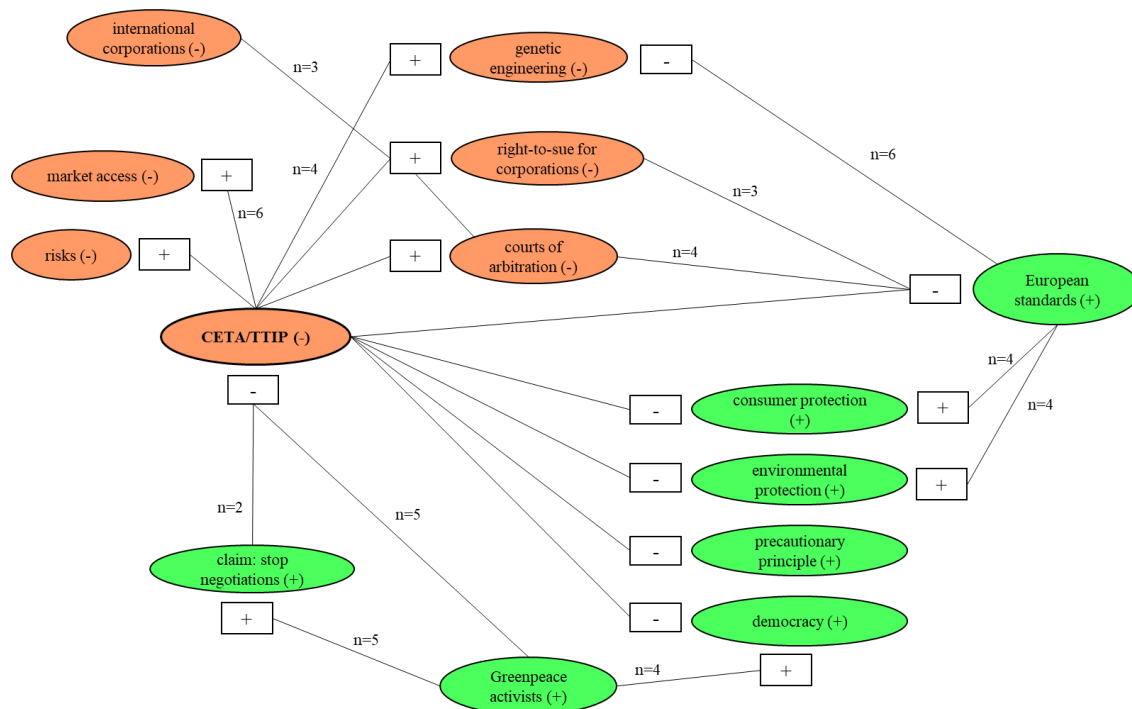


Figure 4-1. Greenpeace’s conflict frame (n>6; based on 26 press releases)

Moreover, “Greenpeace activists” (+) and “international corporations” (-) are indirect antagonists. While “international corporations” (-) promote the “right-to-sue for corporations” (-) that subsequently weakens “European standards” (+) and “environmental protection” (+), “Greenpeace activists” (+) fight against “CETA/TTIP” (-), and consequently inverse the following causal effects.

The CETA/TTIP-frames of the NGOs Campact, DGB, and Companies for Fair Trade (Appendix 6-8), yield the same polarized structure but the frame content partly differs. Notably, Campact’s CETA/TTIP-frame (Appendix 6) additionally outlines the negative effects of CETA/TTIP (-) on “parliamentary control” (+) as the following statements illustrate:

It is unbelievable that such an encompassing treaty [CETA] shall come into effect provisionally, although not a single parliamentarian lifted a hand in any of the EU member states – This is a democracy scandal. (Dz9)

In contrast to Greenpeace’s frame, “international corporations” (-) take a rather passive role as they are profiteers but no promotors of “TTIP/CETA” (-):

TTIP comes through the backdoor with CETA. There are thousands of US corporations with branch offices in Canada that could use these special rights to sue against EU member states [...]. (Dq4)

However, in Campact's frame (Figure 4-2, "citizens" (+) weaken "CETA/TTIP" (-) and fulfill the same function as "Greenpeace activists" (+) in Greenpeace's frame (Figure 4-1):

On the occasion of the convent of the social democratic party, numerous citizens demonstrated against the CETA, a trade agreement between the EU and Canada [...]. (Dt8)

Like the two former frames, the frame of the initiative Companies for Fair Trade is consistent (Appendix 7). In contrast to the two former frames, it stresses the negative effects of "CETA/TTIP" (-) on "SME" (+) and the "German handcraft sector" (+). Additionally, "competition" (-) simultaneously strengthens "international corporations" (-) and weakens "SME" (+). Furthermore, "CETA/TTIP" (-) leads to "one-sided trade advantages" (-) for US and Canadian companies. The following two statements illustrate these causal relations:

TTIP is exclusively designed to satisfy the needs of big corporations and threatens SMEs (...). (Kb6)

International trade agreements like TTIP [...] will instead be at the expense of SME as the American trade agreement NAFTA among the US and Mexico. (Kb7)

In contrast to the three former frames (Greenpeace, Campact, Companies for Fair Trade), the DGB's CETA/TTIP-frame (Appendix 8) is not fully consistent. While the majority of "CETA/TTIP" evaluations is negative (count: 42), there are also two neutral and four positive evaluations. However, CETA/TTIP (-/o/+) positive evaluations do not lead to any positive effects on positive elements or any negative effects on negative elements. Instead, "CETA/TTIP" (-/o/+) exclusively has negative effects on positive frame elements, such as "social protection of workers" (+), "consumer protection" (+) and "environmental protection" (+):

Both trade agreements would undermine democracy and the rule of law. Instead of prioritizing free trade over the value of ecological and social standards, the alliance [of NGOs] demands social and ecological standards for globalization. (Hb6)

A further distinctive structural feature of the DGB's frame is the high number of positive elements compared to the other NGOs (Greenpeace, Campact, and Companies for Fair Trade). Furthermore, "fair global trade" (+) and "international trade politics" (+) express a generally positive attitude towards "trade agreements" (+):

We – the leaders of the CLC [Canadian Labor Congress] and DGB – support fair trade agreements. We are convinced that fair trade agreements must incorporate substantial and enforceable rules for the world of employment and the environment. (Id4 and Id5)

The lack of consistency is the result of a profound re-evaluation of CETA in the summer of 2017 due to the implementation of the International Labor Organization's [ILO] minimum standards in CETA:

There has been encouraging progress in the discussions about CETA. These improvements may not be discarded, but instead, they must be implemented and furtherly developed in existing and future bi- and multi-lateral agreements [...]. (Oc2 and Oc3)

It is good that the European Parliament supports the binding ratification [of CETA] and the implementation of the ILO minimum standards. That was and still is an essential claim of the labor unions. (Ih4)

((2)) In contrast to the frames of opponents of TTIP and CETA, the TTIP/CETA-frame of the lobby group Association of German Industry (BDI) almost exclusively consists of positive frame elements leading to a unipolar structure (Figure 4-2). Also, the BDI's frame is consistent. Thus, CETA/TTIP (+) is a positive element that promotes

other positive elements such as “European corporations” (+), “steel industry” (+) and “consumers” (+):

The trade ministers of the EU agreed during their meeting in May: Signing CETA, passing TTIP to save the European steel industry. (Ld4)

The regulations [CETA and TTIP] will provide significant advantages for corporations, their employees and consumers. (Qf1)

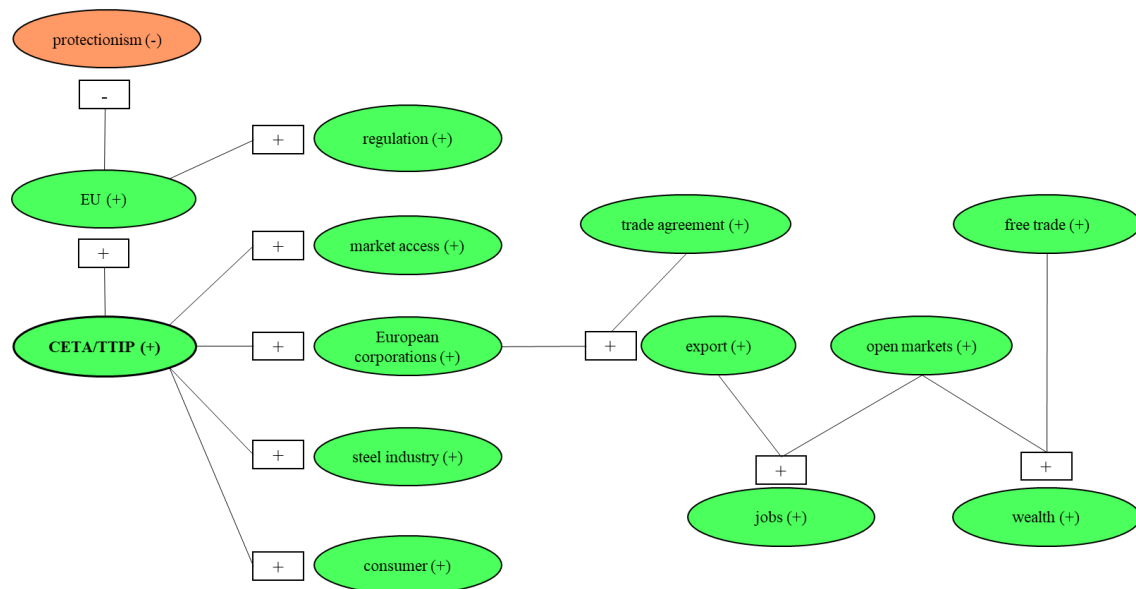


Figure 4-2. The BDI's CETA/TTIP-Frame (n>1; based on 13 press releases)

Portraying the broader context of CETA/TTIP (+), “open markets” (+) are meant to create wealth (+), whereby “trade agreements” (+) increase “exports” (+) and create “jobs” (+):

Open markets foster innovation and subsequently preserve value creation and wealth in Germany and worldwide. (Qd4)

There are few other countries like Germany that live on transnational open markets. Almost every fourth job is related to the German export. (Qd2)

Although the only negative element “protectionism” (-) appeared in the latest press release in 2017 for the first time, it has an extraordinarily high relevance (see Appendix 5). Nevertheless, it is only integrated in one causal relation. Here, the BDI ascribed the “EU” (+) a leading role to fight “protectionism” (-):

Especially the announced intention [to increase trade tariffs] of the US under president Donald Trump is a reason to enforce fair rules. Europe [the EU] may not leave the field free to protectionism. (Qf5)

4.3.3 Classification of frames and corresponding framing strategies

The analytical distinction between frame structure and content is important to prevent the “descriptive bias” (Benford 1997, p. 22) of many frame analyses. Instead of producing long “laundry lists of context frames,” Benford (1997, p. 22) recommends using structural frame typologies to compare frames within or across different case studies (see also de Bruycker 2017, p. 778). Following Benford’s (1997) recommendation, this analysis applies a structural frame typology (Winkin 2018) based

on a classical game-theoretic typology (Schelling 1958) that is particularly useful to identify structural blind spots of policy frames. Each of the three frame types - conflict, harmony, and mixed-motive frame - has specific structural characteristics (Table 4-2). Further, these frame types are “equivalence frames” (de Bruycker 2017, p. 778) because they exclusively highlight positive (harmony frame) or negative (conflict frame) aspects, or negative and positive aspects (mixed-motive frame) of a particular issue.

Table 4-2. Framing strategies, structural frame types and corresponding characteristics (Winkin 2018)

	Harmony framing/frame	Conflict framing/frame	Mixed-motive framing/frame
Evaluation of single elements	homogenous	homogenous	homogenous/ambivalent
Grouping via evaluations	unipolar	bipolar	multipolar
Relations among elements within single group(s)	symbiotic	symbiotic	symbiotic/antagonistic/ambivalent
Relations among groups of elements	-	antagonistic	symbiotic/antagonistic/ambivalent
Created situation as type of game	coordination game	zero-sum-game	mixed-motive-game
Created situational logic	cooperation line	conflict line	conflict-cooperation-field
Typical blind spots	conflicting interests/values, resulting problems and potential solution approaches	common interests/values and potential solution approaches	-

Bridging the gap from frames to framing, actors must consistently apply the corresponding framing strategies to create the specific frame type (Table 4-2). The strategy harmony framing creates a situation that equals a “pure coordination game” (Schelling 1958) and organizes the interaction of actors along a cooperation line. In contrast, the strategy conflict framing creates a situational logic that resembles a “zero-sum-game” (ibid.) and organizes interaction along a conflict line. The strategy mixed-motive framing, representing a synthesis of the two former framing strategies, creates a situational logic that corresponds to a “mix-motive-game” (ibid.). Instead of a clear conflict or cooperation line, mixed-motive framing unpacks a complex conflict-cooperation-field. Finally, harmony and conflict framing are *distorting framing strategies* because they structurally ignore challenging arguments. Of course, the strategy mix-motive framing can also produce blind spots. Nevertheless, it represents a *differentiating framing strategy* because, in general, it can outline the pros and cons of a particular policy proposal, which facilitates the integration of challenging arguments, information, and aspects.

Table 4-3. Framing strategies of the four NGOs and the industrial lobby group

Framing-Strategy	Organization	Shared Elements	Signature Elements
Conflict-Framing	Greenpeace Germany	<i>positively evaluated:</i> European standards (+), claim_stop negotiations (+), environmental protection (+), consumer protection (+), democracy (+)	genmodified organism (-), genetic engineering (-), Greenpeace activists (+)
	Campact	<i>negatively evaluated:</i> CETA/TTIP (-), courts of arbitration (-), international corporations (-), risks (-)	parliamentary control (+), citizens (+)
	German Association of Labor Unions (DGB)	<i>positively evaluated:</i> European standards (+), environmental protection (+), consumer protection (+), democracy (+) <i>negatively evaluated:</i> CETA/TTIP (-)	global fair trade (+), international trade politics (+)
	Companies for Fair Trade	<i>positively evaluated:</i> - <i>negatively evaluated:</i> CETA/TTIP (-), courts of arbitration (-), international corporations (-), risks (-)	SME (+), Companies for Fair Trade (+), German handcraft sector (+), one-sided trade advantages (-), competition (-)
Harmony-Framing	Association of German Industry (BDI)	-	<i>positively evaluated:</i> CETA/TTIP (+), free trade (-), open markets (+), BDI (+), exports (+), jobs (+), steel industry (+), competition (+), etc. <i>negatively evaluated:</i> protectionism (-)

The classification of the reconstructed frames with the presented structural typology (Table 4-2) shows that Greenpeace Germany, Campact, the German Association of Labor Unions and the initiative Companies for Fair Trade applied the distorting framing strategy conflict framing (Table 4-3). Therefore, these four NGOs implanted the trade agreements TTIP and CETA in a situation that equals Schelling's (1958) "zero-sum-game." Following this logic, TTIP and CETA always threaten shared values or interests, and consequently, the rejection of both trade agreements is the only logical treatment recommendation. In contrast, the lobby group Association of German Industry (BDI) uses the strategy harmony framing (Table 4-3) that leads to a harmony frame (Figure 4-2) with the corresponding characteristics (Table 4-2). The invoked situation equals a "coordination game" (Schelling 1958) in which actors should organize their interaction along a coordination line. Following this logic, TTIP and CETA exclusively promote shared values and interests, and thus, the ratification of both trade agreements is the only logical treatment recommendation.

The distinction between shared elements and signature elements is useful to compare the degree of similarity of the frame content. While shared elements appear in the majority of the reconstructed frames, signature elements only appear in a single frame. The results show that Greenpeace Germany (Figure 4-1) and Campact (Appendix 6) have the *broadest portfolio of shared frame elements*. Thus, these two NGOs not only

apply the same framing strategy (conflict framing) but also share 9 of their overall 20 frame elements. Conversely, these two frames incorporate fewer signature elements. In comparison to this broad portfolio of shared elements, the conflict frames of the German Association of Labor Unions (DGB; Appendix 8) and the initiative Companies for Fair Trade (Appendix 7) incorporate less shared elements and more signature elements (Table 4-3). Regarding the content, the BDI's harmony frame exclusively consists of signature elements.

In sum, the frame analysis provides two main results. First, all scrutinized organizations applied distorting framing strategies that consistently disregard arguments of political opponents. On the one side, the industrial lobby group (BDI) applies the strategy harmony framing and only highlights the positive aspects of TTIP and CETA. On the other side, the four NGOs rely on the strategy conflict framing and exclusively stress the negative aspects of both trade agreements. Second, the four NGOs not only applied the same framing strategy, but also created a joint portfolio of elements that can be considered to constitute the shared frame of the discourse coalition against TTIP and CETA.

4.4 Theoretical reconstruction

This chapter develops a theoretical heuristic to explain the relation between discourse failure and discourse coalitions from a rational-choice perspective (Pincione and Tesón, Pies and Will 2016, Hielscher et al. 2017). Modeling the complex interaction as social dilemmas can be very insightful, if empirical key aspects are represented properly. The case study's results are taken as axiomatic for theory building to foster the quality of the final contribution (Eisenhardt 1989). Therefore, the main results - the use of distorting framing strategies and the creation of a shared framing - are theorized as individual and collective responses to two interdependent social dilemmas.

First, the public discourse game views "discourse failure" (Will and Pies 2016) to be the unintended outcome of strategic framing choices of multiple players competing for public attention and support (Hielscher et al. 2017). Second, the discourse coalition game conceptualizes cooperation among multiple players within DCs as a collective action problem. Third, both social dilemmas are theorized to be interdependent which means that strategic choices in one game influence the incentive structure of the other game, and vice versa.

((1)) In the public discourse game (Figure 4-3), two or more players can choose between two general framing strategies "distorting" (harmony or conflict framing) and "differentiating" (mixed-motive framing) to represent a specific policy issue. "Distorting" can be seen as the dominant strategy for the single player because it yields the highest payoff in terms of influencing public opinion. The best possible outcome for the single player is if (s)he uses the strategy "distorting," while the other players use the strategy "differentiating" (Quadrant II and IV). However, if all players choose the strategy "distorting," they unintentionally (!) produce discourse failure (Quadrant III). This outcome represents the Nash equilibrium of the public discourse game, but it is pareto-inferior compared to an outcome in which all players choose the strategy "differentiating" (Quadrant I). Finally, "discourse failure" can be considered as a "systematic consequences of a social dilemma" (Will and Pies 2016) in which rational actors adapt distorting framing strategies.

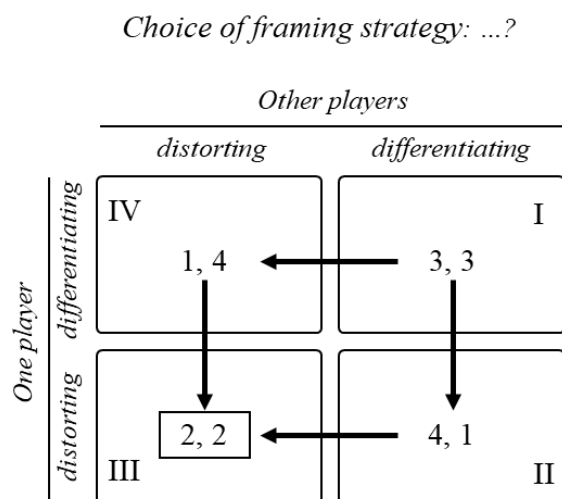


Figure 4-3. The public discourse game (modified after Hielscher et al. 2017)

Three aspects illustrate the adequateness of modeling the public discourse game as a social dilemma:

- The case study shows that all actors used distorting framing strategies (Table 4-3) (harmony and conflict framing) and consistently ignore arguments of their political opponents.¹⁴
- Disregarding counter arguments of political opponents yields a higher probability to create a “framing effect” and to convince the audience to adopt certain views and interpretations (Chong and Druckman 2007).
- Harmony and especially conflict framing are more likely to match media demands (Swinnen and Squicciarini 2012, De Bruycker and Beyers 2015).

((2)) The “discourse coalition game” (Figure 4-4a) reconstructs the cooperation among multiple actors in DCs as a collective action problem.¹⁵ Accordingly, the players can choose between the strategies “promote all missions” including allies’ missions or exclusively “promote own mission” in public debate. The best possible outcome for the single player is to get a free ride. That is to say, the single player chooses “promote own mission,” while all other players choose “promote all missions” (Quadrant II and IV). Instead of contributing to a strong DC, in which all players “promote all missions” (Quadrant I), individually rational behavior leads to the collapse of the DC (pareto-inferior outcome; Quadrant III). Thus, based on the theoretical reconstruction in Figure 4-4a, the formation and maintenance of a DC is difficult and unlikely to occur due to conflicting individual interests.

A strong DC that speaks with “one voice” (Junk and Rasmussen 2018) and puts forward a consistent bundle of arguments yields collective benefits for the participating actors because a strong DC is more likely to gain dominance in public discourse (Leifeld and Haunss 2012). Thus, the following aspects underline how these collective interests

¹⁴ As a rare example, the initiative Companies for Fair Trade mentioned that “[l]ots of politicians argue that TTIP and CETA would be positive for SME” (Jq3) (TTIP → SME), and immediately responded that these politicians “forgot to ask the affected companies [...] how the reality in international trade looks like” (Jq6).

¹⁵ In a similar way, Zeng and Chen (2003) theorized the cooperation among corporations in alliances as collective action problem.

of a DC are undermined by conflicting individual interests that tempt the involved players to apply free-riding strategies:

- Contributing to the DC also creates individual costs, because single actors need to leave media space for their allies' missions that were formerly used to promote the own mission.
- The support of allies and their missions also yields risks of buying in inconsistencies in other running campaigns that can undermine advocacy positions in other political fields.

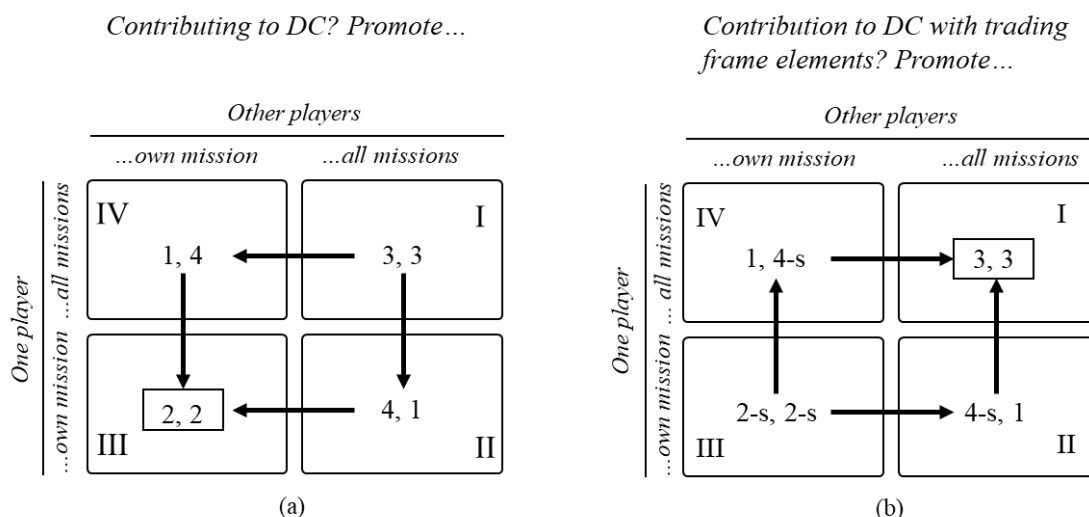


Figure 4-4. The discourse coalition game

Nevertheless, in contrast to the pessimistic outlook based on the understanding of cooperation in DCs as social dilemma (Figure 4-4a), the case study's findings show that the four NGOs established successful cooperation as they created a shared frame and mutually supported their allies' missions. This axiomatic aspect is the outcome of collective commitment that follows the logic of *mutual and conditional support*. In particular, the introduction of the mechanism trading frame elements changes the rules of the game because it provides additional incentives for the single player to "promote all missions". Conversely, cooperative players can sanction free-riding behavior through marginalizing defectors. Hence, trading frame elements is understood as an institution that facilitates incentives for successful cooperation within DCs. In this case, several empirical aspects underpin the plausibility of understanding trading frame elements as a creative response to overcome the social dilemma in DCs (Figure 4-4b):

- The NGO Campact took the role of an element broker that often referred to experts of allied organizations and promoted the mutual exchange of frame elements within the DC.¹⁶
- The four NGOs published a joint press release to ensure that allies publicly "promote all mission."

¹⁶ For example, Campact cited one of Greenpeace's experts: "Until now, applying the precautionary principle prohibits the use of genetic engineering, pesticide and chemicals as long as risks for health cannot be eliminated. This [applying the precautionary principle] would be hardly possible with CETA." (Ec8)

- The stepwise cooperation within a DC and the creation of a shared framing via trading frame elements provides flexibility. The differing intersections of shared elements (Table 4-2) indicate that to “promote own mission” or to “promote all missions” is a discretionary decision. For example, the DGB promotes “environmental protection” (+) (Appendix 7) that represents Greenpeace’s mission and other environmental NGOs. This framing choice is somehow surprising, because in other controversial public debates in Germany, such as coal mining and coal energy, labor unions and environmental NGOs oppose each. Remarkably, Greenpeace does not return the favor and refrains from promoting DGB’s mission, the “social protection of workers” (Figure 4-1).

Regardless of the success of the DC in this particular case, the social dilemma logic of the “DC game” implicates that DCs are temporary and unstable arrangements, because there are still individual incentives for free-riding behavior. The institutionalized incentives provided through the mechanism trading frame elements are rather weak. An empirical indication for the instability of DCs is that the DGB stopped campaigning against TTIP and CETA after reaching an agreement with the European and Canadian negotiators to incorporate the ILO’s minimum standards in CETA.¹⁷

((3)) Theorizing the interdependence between both games provides a useful heuristic to understand the relationship between discourse failure and discourse coalitions. Here, interdependence means that the outcome (level of moves) of one game influences the incentive structure (level of rules) of the other game, and vice versa. As already outlined (Figure 4-3), the dysfunctional incentive structure of the public discourse game benefits players that adapt distorting framing. Consequently, discourse failure is as an unintended outcome (Figure 4-5, left side, quadrant III) that can be understood as a game changer (shift from Figure 4-4a to 4-4b). That is to say, the use of distorting framing strategies in the public discourse games makes the strategy “promote all missions” in the DC game more attractive compared to the strategy “promote own mission.” On the right side in Figure 4-5, the negative bonus of the strategy “promote own mission” is demarked as an “s” and can be explained as follows:

- The costs of the strategy “promote all missions” decrease because the use of the same distorting framing strategy - conflict or harmony framing - conceals potential conflicts between different missions. In the case of the DC against TTIP and CETA, the strategy conflict framing masks the tensions between the DGB’s mission, the social protection of workers, and Greenpeace’s missions, environmental protection (Appendix 3 and 6). In another public controversy over coal mining and coal energy, the DGB and Greenpeace are fierce antagonists.
- The costs of the strategy “promote all missions” decreases with the growing number of allies due to external economies of scale. While first movers must co-create a shared frame from scratch, second movers can easily jump on the bandwagon. Based on the underlying press release activity, Campact initiated the civic campaign against TTIP in summer 2014, whereas Greenpeace and the DGB joined in spring and summer 2015. Finally, the initiative Companies for Fair Trade entered the campaign in autumn 2015.

¹⁷ The DGB’s decision indicates a divergence between internal perception and external representation of CETA. Externally, the DGB used conflict framing to pressure political decision makers, whereas internally, the DGB most probably used mix-motive framing to identify shared interests with the negotiators of CETA.

- The costs of the strategy “promote own mission” for the single player increases because of the higher probability of facing rival DCs. Similarly, the successful mobilization of single DCs is likely to foster the counter-mobilization of rival DC. In the investigated case, BDI intensified its engagement in public debate in the summer of 2016 publishing 9 of its 13 press releases in the following year. Thus, the BDI’s stronger engagement in public debate can be interpreted as a response to the successful mobilization of the civic protest movement.

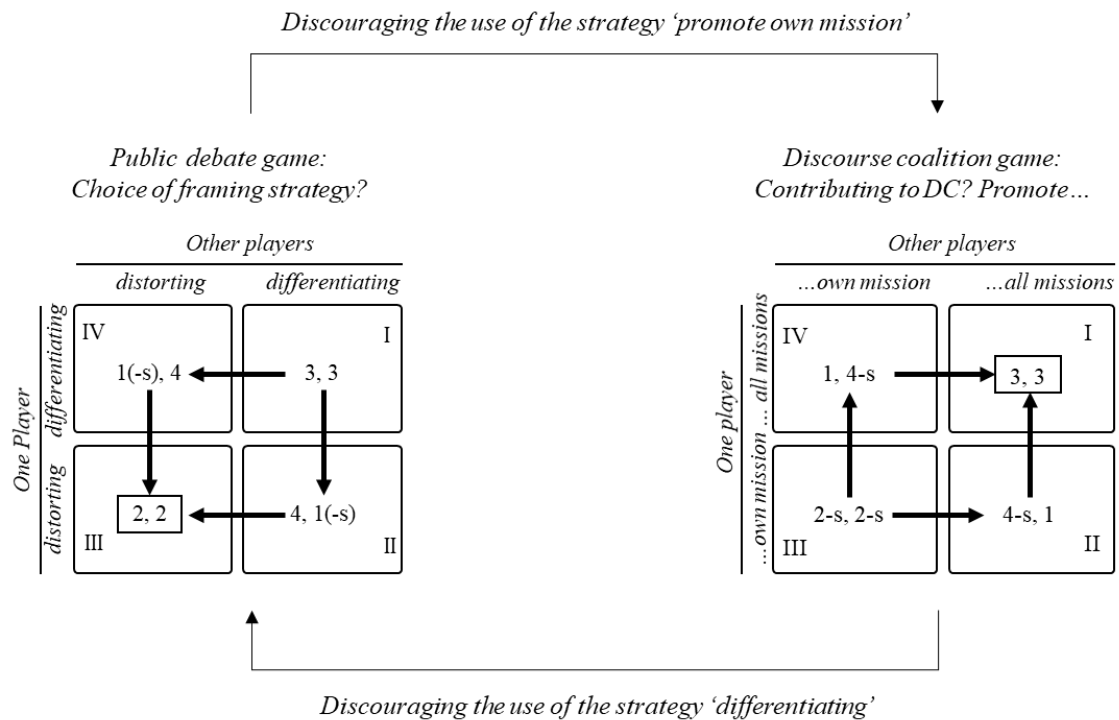


Figure 4-5. Interdependence of the public discourse and the discourse coalition game

In return, the successful formation of two or more DCs that already apply distorting framing strategies further manifests the dilemmatic incentive structure of the public discourse game. In such a situation (Figure 4-5, left side, quadrant III; right side, quadrant I) the choice of the framing strategy is now coupled with the choice of being a member in a DC. Hence, if a single player changes the framing strategy from distorting to differentiating in the public discourse game, she or he also automatically leaves the DCs. Consequently, for the single player, changing the framing strategy in the public debate game (Figure 4-5; left side, moving from quadrant III to II) additionally yields the costs (demarked as “s” in Figure 4-5, left side) for leaving the DC (Figure 4-5; left side, moving from quadrant III to II). Due to this double lock-in, adapting mixed-motive framing as strategy and leaving an operating DC is a risky and costly move. In the investigated case, the DGB indeed left the DC against TTIP and CETA but also reduced its engagement in public discourse to a minimum in the following year.¹⁸ Due to the successful implementation of the ILO minimum standards in CETA, it can be assumed that the DGB rather focused on gaining direct access to political decision-makers in cooperation with Canadian labor unions.

¹⁸ Before leaving the DC, the DGB published 16 of 18 press releases between winter 2015 and summer 2016. Afterwards, the DGB only published 2 further press releases between summer 2016 and winter 2017.

4.5 Discussion and conclusion

This paper argued that the literature approaches discourse coalitions (Haunss and Leifeld 2012, Dodge 2015, 2016) and discourse failure (Pincione and Tesón 2006, Will and Pies 2016) as independent phenomena. The case study generated valuable empirical insights and supported the development of a theoretical heuristic that explains the interplay of discourse failure and discourse coalitions from a rational-choice perspective (Pies et al. 2009).

The case study exemplified the value of the GABEK method (Zelger and Oberprantacher 2002) in reconstructing frames as clusters of elements (Matthes and Kohring 2008) in a fine-grained and valid manner (Winkin 2018). The finding shows that the five actors applied distorting framing strategies complementing similar accounts in the literature (Dodge 2015, Will and Pies 2016, Hielscher et al. 2017). Additionally, the findings support explanations that the success of DCs in general (Haunss and Leifeld 2012), and the success of the DC against TTIP and CETA in particular (Siles-Brügge 2017), stems from the ability to create a shared and consistent frame. However, it is questionable if the “polysemic injustice frame” (Siles-Brügge 2017) displays a coalition magnet, because it was not “promoted by decision-making authorities” which is an essential part of Béland and Cox’s (2016, p. 429) definition. Also, the polysemic injustice frame lacks the quality of coalition magnets to bring together actors that formerly perceived their interests to be mainly conflicting (ibid.). In the case of the DC against TTIP and CETA in Germany, the four NGOs beforehand viewed themselves as an integral part of civil society, perceived each other as natural allies, and had partly cooperated in prior campaigns. Consequently, conflict frames may be effective in forging DCs among equal minded actors but lack the quality to reconcile conflicting interests. Probably, the settlement of conflict or reconciliation of interests is the essential quality that makes ideas attractive to decision-makers, because their use helps them securing their political legitimacy. If this is true, coalition magnets, such as “sustainability; social inclusion; and solidarity” (ibid.), likely feature the structure of mixed-motive frames.

Theorizing the interplay of discourse failure and discourse coalitions as two interdependent social dilemmas yields three theoretical implications. First, the public discourse game explains why policy entrepreneurs, in this case, NGOs and an industrial lobby group, use distorting framing strategies and unintentionally promote discourse failure (Pincione and Tesón 2006, Will and Pies 2016). Second, conceptualizing the DC game as a social dilemma explains why DCs are inherently unstable, although cooperation clearly yields collective benefits. As a response to this social dilemma, trading frame elements is understood as a mechanism that incentivizes mutual support and successful cooperation within the single DC. Third, the heuristic model (Figure 4-5) highlights that the creation of power through forging DCs is rather a reinforcing symptom of discourse failure, whereas the dysfunctional incentive structure of the public discourse is the root cause. Thus, this analysis provides a counterpoint to deliberative accounts that perceive pathologies of deliberation (Habermas 1992) or “defects of deliberative systems” (Mansbridge 2012) to be rooted in the asymmetric distribution of power.

The rational-choice analysis also yields an essential normative implication. Various deliberative scholars highlight the moral responsibility of single actors to act according to deliberative values (see as an example Baur and Palazzo 2011, Habermas 1992). However, demanding policy entrepreneurs to change their framing strategies (Dodge

2015; 2017) will be ineffective due to the social dilemma logic. In other words, deliberative behavior is not exclusively a matter of moral aspiration or virtue but of functional institutionalized incentives. Consequently, reform approaches should focus on changing the rules of the public discourse game (Will and Pies 2016, Hielscher et al. 2017) to incentivize the use of differentiating framing strategies. While partisan state regulation of public discourse likewise institutionalizes power asymmetries and indeed manifests discourse failure (Mansbridge 2012), self-regulation seems to be a promising avenue. As a case in point, NGOs already engage in self-regulation initiatives, define sector-wide standards¹⁹, such as “responsible advocacy” (Hortsch 2010), and establish institutions for standard compliance (Hielscher et al. 2018, forthcoming). However, as public discourse is not limited to NGOs, addressing discourse failure will require bi- and multi-sectoral initiatives (Hielscher et al. 2017). If political and economic actors perceive the polarization of public debates and political gridlock as a severe threat to their political legitimacy or future businesses, they might be willing to participate in creating an order in which fair and open discourse can flourish.

The lack of transparency in the negotiations and the absence of opportunities to participate in the policy development of TTIP and CETA were major points of critique of the civic protest movement. Thus, it remains an open question, if limited opportunities for NGOs to participate in the development of public policies influence the choice of the general lobbying strategies “going public” or “gaining access” (Dür and Mateo 2014). While some NGOs seem to prefer a strategy mix, future research should focus on how changes in institutional settings, such as the political systems (introduction of participation fora) or public discourse (enforcing standards of responsible advocacy), influence the prioritization and interplay of these two general lobbying strategies.

¹⁹ NGOs committing to the “Global Standard for CSO Accountability” (2018) promise to address the root causes of social maldevelopments, to implement standardized fact checks, and to give their political opponents a fair chance to respond to allegations.

4.6 References

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4.7 Appendix

Appendix 1. Greenpeace – Relevance and evaluation list

Rank	Greenpeace Germany		
	Keyword	Evaluation	CRM-20
1	CETA	-	3,25
2	TTIP	-	2,61
3	standards_EU	+	1,57
4	environmental_protection	+	1,36
5	consumer_protection	+	1,31
6	risks	-	1,27
7	precautionary_principle	+	1,08
8	right-to-sue_for_corporations	-	0,97
9	negotiation_secret	-	0,72
10	claim_stop_negotiations	+	0,72
11	democracy	+	0,72
12	courts_of_arbitration	-	0,60
13	corporations_international	-	0,60
14	organism_gen_modified	-	0,53
15	greenpeace_activists	+	0,51
16	genetic_engeneering	-	0,48
17	Principles_SPD	+	0,46
18	market_access	-	0,46
19	provisional_application	-	0,39
20	discussion_public	+	0,39

Appendix 2. Campact – Relevance and evaluation list

Rank	Campact		
	Keyword	Evaluation	CRM-20
1	CETA	-	5,89
2	TTIP	-	3,20
3	right-to-sue_for_corporations	-	1,28
4	claim_stop_negotiations	+	1,01
5	democracy	+	0,91
6	provisional_application	-	0,72
7	rejection_TTIP/CETA	+	0,68
8	corporations_international	+	0,63
9	courts_of_arbitration	-	0,59
10	parliamentary_control	-	0,59
11	Investment_Court_System_(ICS)	-	0,52
12	environmental_protection	+	0,49
13	citizens	+	0,49
14	risks	-	0,45
15	Sigmar_Gabriel	+/-	0,44
16	SPD	+/-	0,44
17	deception	-	0,44
18	protest	+	0,42
19	position_political_unclear	-	0,42
20	consumer_protection	+	0,38

Appendix 3. German Association of Labor Unions (DGB) – Relevance and evaluation

list

German Association of Labour Unions (DGB)			
Rank	Keyword	Evaluation	CRM-20
4,22	CETA	+/-	3,79
3,41	TTIP	-	3,07
1,75	global_trade_fair	+	1,57
1,58	social_protection_of_workers	+	1,42
1,32	trade_agreement	+	1,19
1,15	environmental_protection	+	1,03
1,07	standards_general	+	0,96
0,77	alliance_Stop_TTIP	+	0,80
0,60	consumer_protection	+	0,69
0,47	international trade politics	+	0,69
0,47	demonstration_panel_of_supporters	+	0,65
0,43	democracy	+	0,54
0,43	claim_rejection	+	0,54
0,38	enforcement mechanisms	+	0,50
0,38	TiSA	-	0,50
0,38	guillotine	-	0,46
0,30	protest	+	0,42
0,30	claim_stopp_negotiations	+	0,42
0,30	standards_EU	+	0,38
0,30	risks	+	0,38

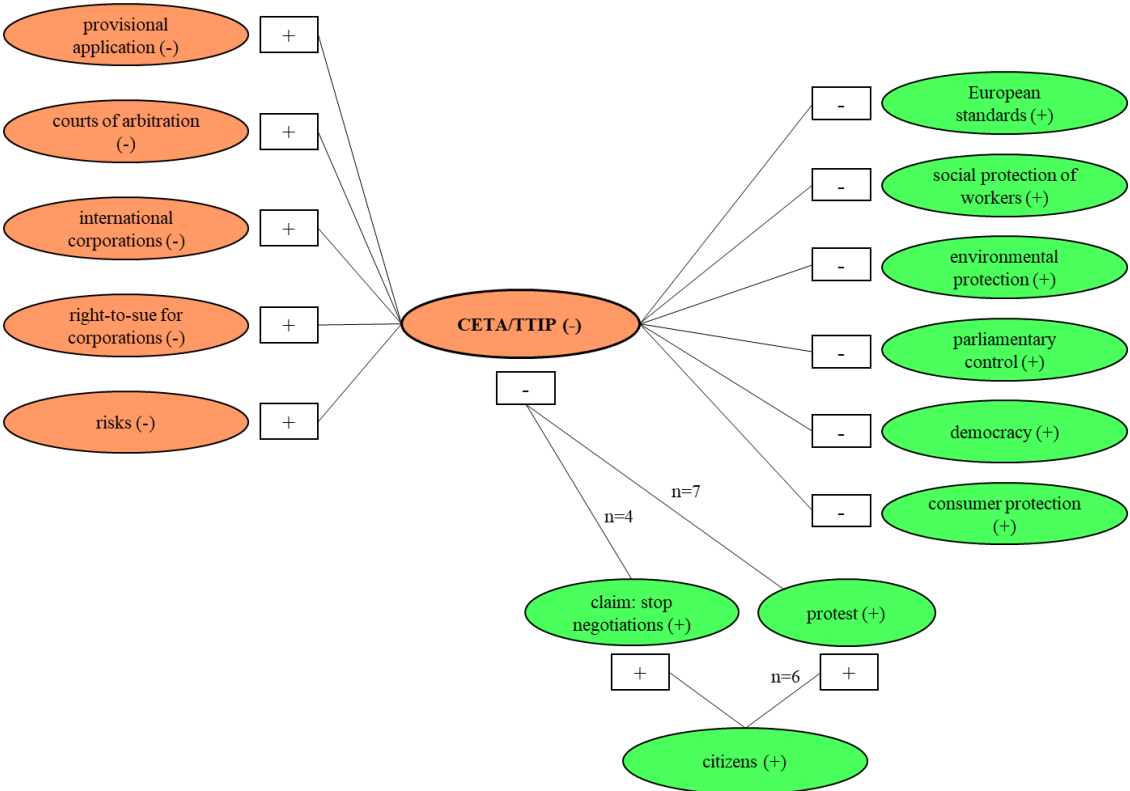
Appendix 4. Companies for Fair Trade – Relevance and evaluation list

Rank	Companies for Fair Trade		
	Keyword	Evaluation	CRM-20
1	TTIP	-	5,03
2	CETA	-	3,66
3	SME	+	1,51
4	Entrepreneurs_Fair Trade	+	1,44
5	risks	-	1,22
6	corporations_international	-	0,79
7	trade_advantage_one-sided	-	0,75
8	handcraft_sector_german	+	0,50
9	master_craftsman_proviso	+	0,50
10	competition	-	0,50
11	trade_agreement	-/+	0,47
12	representation_of_interests_biased	-	0,47
13	standards	+	0,43
14	deception	-	0,43
15	Entrepreneurs_Fair Trade Council		0,39
16	courts_of_arbitration	-	0,39
17	harmonization	+/-	0,39
18	geographical_indication_secured	+	0,39
19	environmental_protection	+	0,36
20	loser	-	0,36

Appendix 5. Federation of German Industries (BDI) – Relevance and evaluation list

BDI (Federation of German Industries)			
Rank	Keyword	Evaluation	CRM-20
1	CETA	+	3,19
2	protecionsim	-	2,20
3	TTIP	+	1,54
4	free trade	+	1,21
5	trade agreement	+	1,10
6	federal government_german	-	1,10
7	EU	+/-	0,99
8	open markets	+	0,99
9	BDI	+	0,88
10	exports	+	0,77
11	demanding support	+	0,77
12	provisional_application	+	0,66
13	jobs	+	0,66
14	steel industry	+	0,66
15	regulation	+	0,55
16	wealth	+	0,55
17	corporations_european	+	0,55
18	market_access	+	0,55
19	consumer	+	0,55
20	competition	+	0,55

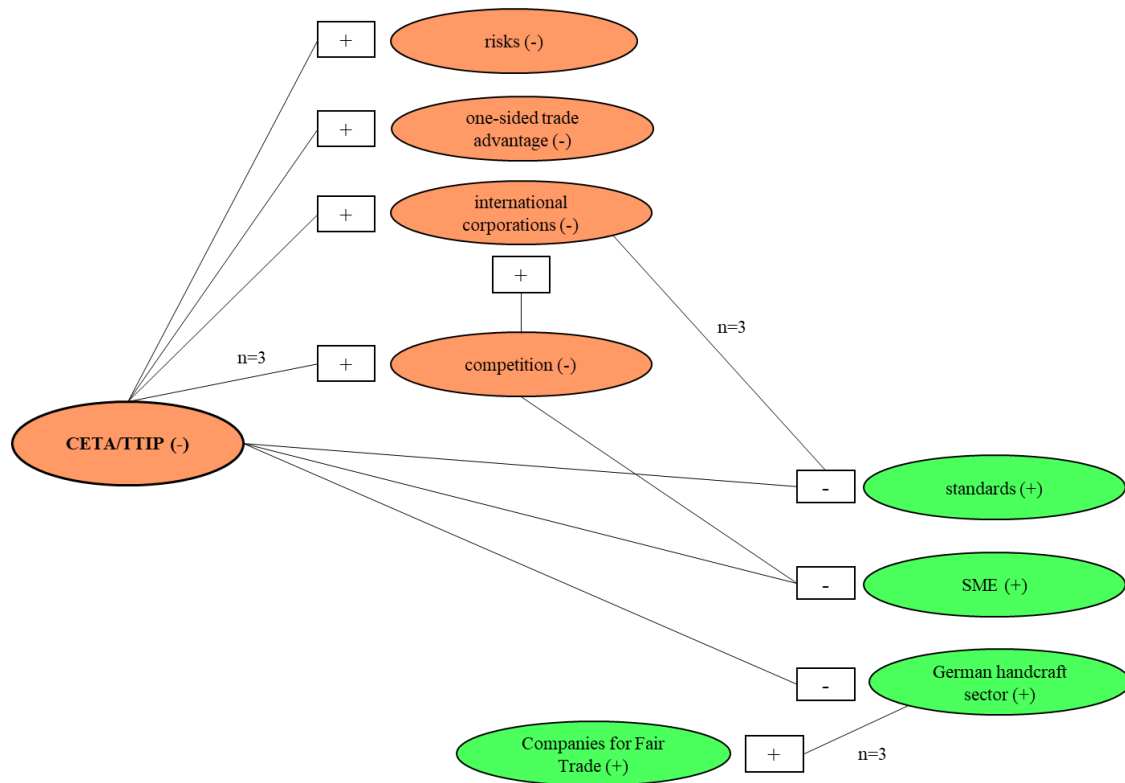
Appendix 6: Campact's conflict frame (n>8; own representation, based on 49 press releases)



Appendix 7: DGB's CETA/TTIP-frame (n>3, own representation, based on 18 press releases)



Appendix 8: CETA/TTIP-frame of the initiative Companies for Fair Trade (n>3, own representation, based on 20 press releases)



5 Interdependence of Ideas and Institutions in NGO Accountability: Building Theory from the History of Accountable Now

Stefan Hielscher, Jan Winkin, and Ingo Pies

Abstract

This article studies the history of collective self-regulation in Accountable Now (AN), the leading global, cross-sectoral institutional framework of accountability for NGOs. In a longitudinal case study, we show how ideas of self-regulation co-evolve with institutions and their incentive properties. We develop an empirically derived model that, first, distinguishes ideas that promote devising an institutional framework appropriate for organizing collective action among peer organizations from those that do not. Second, our model posits that institutions and governance innovations promote shifts toward ideas of self-regulation that favor stronger incentives to overcome collective action problems. Our systematic treatment of the interdependencies between ideas and institutions contributes to the literature in three ways. First, while accounting scholars have studied NGO accountability primarily in vertical relationships between the regulators and the regulated, our model explains the endogeneity of self-regulation in horizontal accountability relationships among coequal peer organizations. Second, while nonprofit scholars have investigated NGO self-regulation in horizontal relationships, the literature is divided by a schism between economic and sociological approaches. In contrast to the literature that treats ideas and institutions as separate and seemingly unrelated objects of analysis, our paper emphasizes their interdependence and thus offers a way to bridge the gap. Finally, the insight that shared ideas of self-regulation need to envisage and acknowledge the constitutive role of incentives should prove useful also for improving our understanding of the self-regulation of organizational accountability more generally.

Keywords: NGO accountability, self-regulation, ideas, institutions, Accountable Now

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5.1 Introduction

In 2008, ten globally operating non-governmental organizations (NGOs) such as Oxfam International, Greenpeace International, and World Vision founded “Accountable Now” (AN) as a global platform to support NGOs around the globe to be more transparent, responsive to stakeholders and effective in their daily work. Since then, AN’s mission to develop agreeable and binding global accountability standards has spearheaded the movement toward global NGO peer accountability. AN has reached out to its members and beyond, cooperating with regional accountability networks representing more than 10,000 NGOs to establish binding accountability commitments. These efforts culminate in AN’s most recent project, the Global Standard of NGO accountability which aims to extend the lessons learned in AN and translate them into a global reference standard of accountability, comprising the most important accountability networks worldwide (Global Standard 2018). In addition to discussing and developing shared normative ideas of what constitutes good NGO accountability practice, AN has also become uniquely aspirational in its efforts to establish institutions as common rules to enforce standard compliance. In this endeavor, AN targets institutional reforms through dedicated schemes of reporting, monitoring, evaluation, and sanctions.

Scholars have taken notice of this unprecedented attempt in the history of self-regulation of NGO accountability. AN has been heralded as the central star of an emerging NGO “accountability system” (Brown 2008, p. 115), applauded for its holistic approach to re-focus NGOs on their missions and service to beneficiaries (O’Dwyer and Unerman 2008, p. 821), or classified as the “only global, cross-sectoral accountability framework for NGOs” (Crack 2017, p. 3). We agree that AN is special in all these dimensions. However, we postulate that AN is unique primarily in its approach to self-regulation according to which NGOs discuss and agree on normative ideas of accountability standards and establish and develop institutionalized incentives in mutual dialogue. So far, however, this two-tiered approach used by AN has gone largely unnoticed both in the accounting and society literature and in the literature on NGO self-regulation.

Beyond ethical reflections on organizational accountability (Roberts 2009, McKernan 2012), the accounting and society literature also investigates the interplay between ideas and institutions. In doing so, it focuses primarily on the vertical accountability relationships between the (political) subjects and the (economic) objects of regulation, including the relationships between regulators and corporations (Bozanic et al. 2012), local communities and corporations (Kilian and O’Reagon 2014), legal institutions and professional associations (Edelman et al. 1999), as well as intergovernmental organizations and global financial market actors (Halliday and Carruthers 2007). Other, less frequent contributions explore the interplay in horizontal accountability contexts of collective self-regulation among coequal peers and peer organizations, i.e., in the co-creation of accountability standards by national regulatory networks of professionals (Richardson 2009) and international initiatives (GRI 2009). Regarding NGO accountability, the literature analyzes the dynamics of vertical accountability relations in different contexts of third-party enforced regulation by governments and other regulators. Most contributions have focused on the funder-NGO relationship, either in the context of NGO advocacy (O’Dwyer and Unerman 2008) or service delivery (O’Dwyer and Boomsma 2015, Boomsma and O’Dwyer 2018, Martinez and Cooper 2017). Others have investigated the efforts of single NGOs to improve accountability to beneficiaries (O’Leary 2016). Yet, although accounting

scholars have highlighted the potential of collective self-regulation (even of AN) to improve NGO accountability toward beneficiaries (O'Dwyer and Unerman 2008), the literature has little to say about collective self-regulation of NGOs as a distinct form of horizontal accountability relationships among coequal peers. Although NGOs are distinct from corporations and governmental authorities in both organizational goals and behavior (O'Dwyer and Unerman 2008 Valentinov et al. 2015), understanding the self-regulation of accountability among peer NGOs in horizontal relationships can also improve our understanding of the self-regulation of peer accountability among organizations more generally.

Due to the principal focus on vertical accountability relationships among NGOs in the accounting and society literature, research into the self-regulation of horizontal relationships among NGOs has largely remained an endeavor of nonprofit and voluntary sector studies. In this literature, however, scholars tend to treat ideas (including their positive and normative categories) and institutions (including their incentive effects) as separate and seemingly unrelated objects of scholarly interest. Sociological approaches tend to emphasize the role of shared and normative ideas as well as their internal quality to transform accountability practice (Crack 2017). Proponents typically link NGO self-regulation to the moral self-concept of NGOs (Deloffre 2010, Pallas et al. 2014) and claim that accountability clubs in the development sector have emerged as an immediate response to it (Deloffre 2010). However, they downplay or even neglect the incentive effects of institutions for NGOs to comply with agreed-upon accountability standards. In contrast, economic approaches often see mundane organizational self-interests, e.g., securing funding, as the main driver for NGOs to engage in self-regulation initiatives (Prakash and Gugerty 2010a; 2010b). According to these scholars, NGOs create accountability standards to signal credibility and trustworthiness to funders and donors. However, they deliberately cast aside the analysis of shared and normative ideas.

Each focal point has undoubtedly provided essential insights into the working properties of NGO self-regulation in horizontal accountability relationships. Yet, the gap between ideas and institutions tends to discourage a systematic study of how ideas and institutions mutually influence each other. First, little is known about which ideas (including their normative and positive categories) promote and which hamper institutional reforms aimed at strengthening incentives for standard compliance. Second, we lack insight into how institutions and ensuing compliance practices influence ideas. Bridging the idea-institution gap in the NGO self-regulation literature would improve our understanding of the interdependence of ideas and institutions. Also, it would help develop more effective self-regulatory strategies to respond to legitimacy questions raised by society, insights which seem to be of high relevance for organizations more generally.

To address the idea-institution gap, we use the ordonomic approach (Pies et al. 2009) to analyze the interplay of ideas and institutions in self-regulation of NGO accountability. The hallmark of ordonomics is to wed institutional theory in its—in management studies less familiar—economic variant (Buchanan 1990, North et al. 2009, Williamson 2010) that analyzes the incentive properties of institutions with a sociological analysis of ideas (Luhmann 1992). Integrating these diverse theory perspectives allows addressing an underlying, more general idea-institution gap which divorces economic approaches and sociological institutional theories (Giddens 1984, Scott 2014) traditionally used in management studies. While economic approaches conceptualize self-regulation as a collective action problem in competition in a skillful way, they tend to turn a blind eye to the ideas of self-regulation (King and Lenox 2000,

Barnett and King 2008,). In contrast, sociological institutional theory is strong in integrating (the analysis of) normative and cognitive ideas into its institutional analysis of the rules of the game (Scott 2014). Yet, as Scott (2014) explicitly acknowledges, it lacks a systematic analysis of the incentive properties of institutions. Ordonomics provides one possible avenue to integrate the analysis of institutionalized incentives with the analysis of ideas. Its approach has proven useful in diverse debates, including academic discussions about corporate citizenship and the new governance (Pies et al. 2009), business ethics (Pies et al. 2010, 2014; Hielscher et al. 2014), corporate sustainability (Beckmann et al. 2014) and NGO accountability (Valentinov et al. 2013; Hielscher et al. 2017). Ordonomics' distinct feature is to focus on and analyze those ideas useful to devise institutions that help organize collective action, a perspective particularly useful for the study of self-regulation in horizontal accountability relationships.

Our comprehensive longitudinal case study of AN's ten-year history documents that AN was founded upon the premise that self-regulation requires effective institutionalized incentives for standard compliance. Since then, a social learning process runs as a common theme through the history of AN. Our case study shows that the leadership promotes the notion that strengthening the institutions of standard compliance lies in the members' well-understood organizational self-interests and helps foster their moral missions to serve unmet societal and environmental needs. The leadership's efforts include educating member NGOs about how competition drives non-compliance, and how regulating competition can create functional incentives improve accountability within the NGO sector. Over time, ideas of AN's members have become increasingly complex, gradually embracing a more fine-grained understanding of the functions of self-regulation, the role of competition and the moral self-concept of NGOs. Our analysis indicates that these ideational shifts have facilitated institutional reforms, starting with defining standards, reporting, monitoring, evaluation, and, lately, sanctions. Our analysis also suggests that these institutions promote idea shifts by providing credible information about non-compliance with agreed-upon standards. We show that the history of AN can be understood as an interdependent process of co-evolution in which ideas and institutions of self-regulation change and influence each other.

Based on these empirical findings, we develop a heuristic model that deepens the knowledge about NGO self-regulation in horizontal accountability relationships. Our model contributes to the literature on self-regulation of NGOs and organizations more generally, including corporations, professional associations, international organizations, and nation states. Regarding NGO self-regulation, first, we show which ideas promote and which hamper institutions for organizing collective action. While ideas of 'voluntary compliance' tend to hamper institutional reforms for stronger standard compliance, the idea of 'enforced compliance' tends to promote it. Second, we theorize that institutions influence how NGOs comply with accountability standards in their day-to-day practice and that perceptions of compliance influence ideas of self-regulation. Third, we posit that 'catalyst' governance innovations for rule-finding discourses—in particular, formats that provide open space for trustful discussion (in workshops, webinars, and peer advice groups)—promote shifts toward ideas of self-regulation that favor stronger rule enforcement. Fourth, regarding self-regulation of accountability of organizations more generally, our heuristic model highlights that shared ideas of self-regulation are necessary but not sufficient. Shared ideas of self-regulation need to envisage and acknowledge the constitutive role of incentives if institutions are to be effective in

overcoming collective action problems. This insight should prove useful for theorizing the self-regulation of national states (Ansari et al. 2013), international organizations (Halliday and Carruthers 2007) and corporations (Richardson 2009).

The remainder of this paper is organized into six sections. Section 5.2 reviews the nonprofit and voluntary sector studies as the prime source of research into the self-regulation of horizontal relationships among NGOs. In this section, we briefly comment on research in accounting and society and develop the idea of collective self-regulation from an ordonomic perspective. In Section 5.3 we present the methods and data used in the longitudinal case study of Accountable Now. Section 5.4 presents our results. We show how actors' ideas evolve in relation to institutional reforms (and vice versa). Section 5.5 develops an empirically derived heuristic model with nine empirically testable propositions that explain the interplay between ideas and institutions. Section 6.5 discusses the implications of our case study for the literature on the self-regulation of NGO accountability and the broader discussion on organizational accountability in various debates. The paper finishes with a concluding summary.

5.2 Theorizing self-regulation of NGO accountability

NGOs are generally perceived as value-driven actors, particularly when compared with political organizations or economic players (Edelman 2015). Although this view corresponds with the normative ambitions of many practitioners in the field (Schmitz et al. 2012), the NGO sector has nevertheless witnessed various scandals in recent decades (e.g., corruption, mismanagement, misappropriation of funds, cf. Gibelman and Gelman 2001; Greenle et al. 2007). Observers also blame NGOs for morally controversial but legally permissible behavior, including the misinformation of the general public (Will and Pies 2016, Hielscher et al. 2017).

It is in this context that NGO accountability has emerged as a “process by which an NGO holds itself openly responsible for what it believes, what it does and what it does not do in a way which shows it involving all concerned parties and actively responding to what it learns” (Slim 2002). A great number of national and international self-regulatory initiatives (Hielscher et al. 2017), voluntary accountability clubs (Prakash and Gugerty 2010a, Gugerty and Prakash 2010), or peer accountability networks (Deloffre 2010, Crack 2017) have gained traction as collective endeavors to promote NGO accountability. Generally speaking, self-regulation is when private actors develop collective organizations, rules, and standards to regulate themselves as distinguished from government regulation which is a third-party enforcement of rules (Vogel 2010). Also, self-regulation is often regarded as a promising avenue to address collective challenges in areas of weak (or absent) government (Seidl 2007).

Due to the principal focus on vertical accountability relationships among NGOs in the accounting and society literature, we review here primarily the nonprofit and voluntary sector studies which contribute the bulk of research on the self-regulation of horizontal relationships among NGOs. First, we review two ideal-typical approaches in this literature (5.2.1). Second, we argue that the literature features an “ideas-institutions gap,” with each approach either focusing on the institutions or the ideas of self-regulation (5.2.2). Third, we present the ordonomic approach as a concept to interpret ideas and institutions as developing an interdependent process of societal learning (5.2.3).

5.2.1 Sociological and economic approaches of NGO self-regulation

The current literature discusses three key factors that describe and explain the self-regulation of NGO accountability: the moral self-concept of NGOs, functions of self-regulation, and the role of competition. Although single contributions vary in many ways, the two dominating approaches in the literature (Crack 2013, 2017), ((1)) sociological and ((2)) economic approaches, tend to follow a uniform pattern.

((1)) Sociological approaches tend to stress the moral self-concept of NGOs. These approaches highlight that accountability problems are not objectively given but constructed in a social process (Crack 2013, Boomsma and O'Dwyer 2018). Self-regulation is driven, according to this view, by the norms and values to which NGOs have dedicated their missions (Crack 2017, Pallas et al. 2014, Berghmans et al. 2017). Deloffre (2010, 170), for example, suggests that “ethical considerations and principles shaped humanitarian NGO efforts to define collective accountability standards.” She argues that two “divergent NGO ideas regarding their ethical roles and responsibilities” (ibid., 198, authors’ italics) shaped the simultaneous formation of two different self-regulatory initiatives of NGO accountability in the humanitarian sector:

[H]umanitarian NGOs that viewed establishing a legal responsibility for NGOs and technical standards as the best tools for meeting their moral duty founded the Sphere Project. NGOs that founded COMPAS Qualité believed that the best way to meet their moral duty was to adapt to political contexts, pressure states to intervene in humanitarian crises, and ensure that aid did not prolong conflicts (ibid, 198).

Deloffre (2010, 170) concludes that these two accountability initiatives “emerged not in response to demands by different sets of principals, but because of differing interpretations and definitions of moral duty by the NGOs themselves.”

In addition to the pivotal significance of the moral self-concept, sociological approaches also highlight the role of learning as an important function of NGO self-regulation. Learning, according to Ebrahim (2003) and Crack (2013), is seen as a viable way to share knowledge about best accountability practices among peers and, thus, to diffuse shared values such as ethical leadership, responsiveness to stakeholders, and ethical fundraising in the civil society sector. Also, sociological approaches often tend to assume that internalizing these values is necessary and sufficient to implement and raise accountability standards (Crack 2013).

((2)) Economic approaches, in contrast, draw attention to the organizational self-interests as yet another aspect of the moral self-concept of NGOs. Although they acknowledge the value-driven missions that motivate NGOs, economic approaches focus almost entirely on self-interests to explain why NGOs cooperate in self-regulatory initiatives. Prakash and Gugerty (2010a), for example, take the perspective of agency theory. They argue that the function of NGO self-regulation lies primarily in helping NGOs (the “agents”) to send signals to important stakeholders (the “principals”) that they are performing per their expectations, including donors, governments, and the general public. Principals, according to this view, reward the NGOs’ signals with secure funding, protection against undesired third-party regulation (Prakash and Gugerty 2010a) or external criticism (Prakash and Gugerty 2010b). Since principals tend to reward signals and not actual performance, economic approaches highlight that self-regulation initiatives are effective for signaling. However, they provide only weak institutionalized incentives for actually implementing and enforcing higher standards of accountability. NGOs are seen to promote an amplified “rhetoric” about their moral missions but invest fewer efforts to change their accountability practice using “actual

incentives” (Prakash and Gugerty 2010a, 8). As a result, economic scholars often warn that accountability clubs can become “charity washes” if their enforcement institutions are weak as embedded in sector-wide accountability mechanisms such as reporting, evaluation, and monitoring (ibid., 1).

As a way to move ahead, some economic approaches suggest strengthening enforcement mechanisms to implement agreed-upon accountability standards, including rewarding compliance and sanctioning non-compliance (Hielscher et al. 2017, Will and Pies 2016). According to these scholars, this function is particularly relevant since competition among NGOs can subvert the cooperative efforts of NGOs to raise the sector’s accountability standards. Competition can occur in various forms, including competition for contracts (Cooley and Ron 2002), fundraising (Schneiker 2017), public attention (Hielscher et al. 2017) and scarce media space (Swinnen et al. 2011, Will and Pies 2016). While rivalry for contracts and fundraising can be a driver for strengthening financial accountability to donors among advocacy and development NGOs, “contract fewer” (Cooley and Ron 2002) can also undercut accountability standards in service delivery, in particular to beneficiaries, as evidenced in the Rwandan humanitarian crisis (Schneiker 2017). Competition for public attention and scarce media space can lead NGO to oversimplify and emotionalize messages in public campaigns. Exaggerating the risks and ignoring the benefits of a scandalized practice can be a competitive strategy for NGOs (Will and Pies 2016). Although distorted communication can be seen as a rational response to the incentives created by negative biases in the media (Swinnen et al. 2011), misinforming the public about relevant issues unintendedly subverts accountability standards related to advocacy.

5.2.2 The ideas-institutions gap

Viewed in context, both approaches emphasize a different subset of factors of NGO self-regulation (Table 5-1). Regarding the moral self-concept of NGOs, sociological approaches highlight that NGOs are primarily value-driven actors, while economic approaches focus on organizational self-interests. Related to the function of self-regulation, sociological approaches focus on learning, while economic approaches emphasize signaling and enforcement mechanisms. Finally, while economic approaches underline the role of competition for NGO self-regulation, there seems to be less concern with rivalry among sociological approaches. In each dimension, both explain and characterize NGO self-regulation in their terms but cast aside alternative explanations and aspects. In sum, it is fair to say that sociological approaches focus on the analysis of ideas, i.e., on the persuasive power of the NGOs’ missions and their normative underpinnings, to improve sector-wide accountability practice through learning. Economic approaches, in contrast, highlight the (need for reforming) institutions and their incentives effects to redirect organizational self-interests through enforcement mechanisms. This hiatus between sociological and economic approaches is what we refer to as the “ideas-institutions gap.”

We are aware that this classification risks to oversimplify the differentiated and multi-faceted discussions in the literature. There are nuanced attempts on both “sides” of the literature to bridge this gap. Some sociological scholars acknowledge that a mixture of “‘self-interested’ and ‘norm-guided’ motivations” can drive NGO self-regulation (Crack 2017, p. 17). Others view competition for funding both as “an objective of NGO accountability” (Boomsa and O’Dwyer 2018, p. 17) and as a reason for increased efforts toward NGO accountability (O’Dwyer and Unerman, 2008).

Conversely, some economic scholars argue that NGOs put their moral reputation at risk when trapped in a competition dilemma (Hielscher et al. 2017). To save their “moral capital,” these scholars argue that self-regulation can use effective enforcement institutions to overcome the adverse effects of competition. They recommend investigating the “self-perception of NGOs as pure promoters of the common good” (ibid., 30).

Table 5-1. Ideal-typical approaches to self-regulation of NGO accountability

	Sociological Approaches	Economic Approaches
Moral self-concept of NGOs	<ul style="list-style-type: none"> • NGOs are value-driven actors • Norms and values drive engagement in self-regulation 	<ul style="list-style-type: none"> • NGOs are self-interested actors • Institutionalized incentives drive engagement in self-regulation
Functions of self-regulation	<ul style="list-style-type: none"> • Self-regulation promotes learning among peers • Norms and values help diffuse accountability standards of good practice 	<ul style="list-style-type: none"> • Self-regulation allows NGOs to send credible signals to donors and funders • Enforced compliance helps raise accountability standards among peers
Role of competition among NGOs	<ul style="list-style-type: none"> • Study of competition underrepresented 	<ul style="list-style-type: none"> • Competition can threaten accountability standards
Main focus	Ideas (including values)	Institutions (including incentives)

O’Dwyer and Boomsma (2015) and Boomsma and O’Dwyer (2018) integrate ideas (including morals and values) and institutions (including incentives). Studying the relationship between the Dutch government funding scheme and Oxfam Novib, O’Dwyer and Boomsma (2015, p. 40) propose a framework of “ideal-type accountability regimes” to explain the “co-construction of accountability” in a single NGO-funder relationship. While some regimes either privilege donor interests (“imposed”) or the morals and values of NGOs (“felt”), others seem to be able to balance external and internal motivations (“adaptive”). Despite considerable scholarly efforts, as Boomsma and O’Dwyer (2017, p. 17) argue, the divergent strategies of the regulators are still not fully understood. As argued before, both papers essentially do not address self-regulation of horizontal accountability among peers (as arguably do other contributions in the broader literature on organizational accountability, e.g., Bozanic et al. 2012, Kilian and O’Reagon (2014), Edelman et al. (1999), and Halliday and Carruthers 2007), but the vertical accountability interaction between the governed objects and rule-making subjects in traditional, so-called third-party regulation.

Even more to our point, Brown (2008) addresses the idea-institution gap in yet another way. Studying a clear-cut initiative of collective self-regulation, Accountable Now, Brown (2008, p. 115), argues that NGOs create and use “sector accountability systems” to respond to legitimacy questions raised in public. NGOs elaborate on shared

ideas, i.e., “core values and responsibilities,” to define common standards “to shape the tests against which the sector will be measured in future” (Brown 2008, p. 115, authors’ italics). Brown argues that NGOs can only respond to legitimacy questions effectively if accountability systems provide effective institutions to support compliance, such as reporting or complaints handling mechanisms. At the time of AN’s foundation, Brown (2008, p. 115) believed that international NGOs were creating an accountability system “with teeth”—i.e., with effective institutionalized incentives—that can produce self-enforcing dynamics.

5.2.3 Ordonomics: An integration of normative ideas and institutionalized incentives

Scholars in the field of nonprofit and voluntary sector studies have recently noted that sociological and economic approaches can be seen as complementary and not necessarily as mutually exclusive (Pallas et al. 2014, Crack 2017, Hielscher et al. 2017). Despite these efforts, there has been no systematic attempt to extend a vision of NGO self-regulation as a holistic process of social learning in horizontal accountability relationships.

To address the idea-institution gap, we use the ordonomic approach (Pies et al. 2009) to analyze the interplay of ideas and institutions in self-regulation of NGO accountability. The hallmark of ordonomics is to wed institutional theory in its economic variant (Buchanan 1990, North et al. 2009, Williamson 2009) which analyzes the incentive properties of institutions with a sociological analysis of ideas (Luhmann 1992). Integrating these diverse theory perspectives allows addressing an underlying idea-institution gap which divorces economic approaches from sociological institutional theories (Giddens 1984, Scott 2014) more generally. While economic approaches conceptualize self-regulation of horizontal organizational accountability as a collective action problem in competition in a skillful way, they tend to turn a blind eye to the ideas of self-regulation (Prakash and Gugerty 2010, Barnett and King 2008). In contrast, sociological approaches are strong in integrating (the analysis of) normative and cognitive ideas into the institutional analysis (Deloffre 2010,). Yet, as Scott (2014) explicitly acknowledges, sociological institutional theory lacks a systemic analysis of the incentive properties of institutions. Ordonomics provides an avenue to integrate the analysis of institutional incentives into a specific analysis of ideas (Pies et al. 2009). It takes a rational-choice perspective to analyze interdependencies between institutions and ideas. Institutions refer to the incentive properties of formal and informal rule arrangements whereas ideas refer to the terminology of public and organizational discourse and the underlying thought categories that determine how people perceive, describe, and evaluate social interactions and, in particular, social conflicts as well as their possible solutions (Pies et al. 2014, p. 231).

We draw on the ordonomic approach because it provides an informative perspective for understanding self-regulation in relation to the ubiquitous challenge of maintaining collectively desirable standards of behavior when faced with competitive pressure. From this perspective, self-regulation is a collective response of coequal peer organizations to mitigate the adverse effects of competition. A specific element of ordonomics is the distinction between three social arenas (Pies et al. 2009): the basic game of social interaction, the meta-game of political governance, and the meta-meta game of (public and non-public) discourse. Thus, collective self-regulation of coequal peer NGOs in

horizontal accountability relationships can be conceptualized as a learning process at different levels of social interaction.

When looking at the role of NGOs in society, the first level of analysis is the basic game of NGO practice, including day-to-day operations and interactions. Here, NGOs operate and interact with donors, funders, governments, employees, members, beneficiaries, peers, and other stakeholders, engaging in service delivery and advocacy for the provision of public goods (Salamon and Anheier 1992, Valentinov et al. 2013, 2015). The complexity of these interactions yields diverse social outcomes. Following a rational-choice perspective (Becker 1993, Coleman 1990), ordonomics assumes that the basic game evolves with rational NGOs pursuing their respective goals, interacting with each other, and responding to their individual incentives and opportunities. The unintended aggregate results of this basic game can be either a high level of accountability of NGO (as in the case of delivering effective aid in a refugee crisis) or a low level (as in the case of corruption or NGO advocacy against climate science). From an ordonomic perspective, the important insight is that the level of accountability in the NGOs' basic game does not only depend on the individual intentions and moral objectives, despite their undisputable importance for NGOs. Also, it is the institutional context, the incentive properties of the rules of the game (Buchanan 1990, North et al. 2009), that influence and channel how value-driven actors (can) choose their moves within the basic game. The assumption of mixed-motive actors, i.e., NGOs are driven by moral missions and organizational self-interests, makes it so important to focus also on those arenas of social interaction where the rules of the game are established, reformed, or discussed.

While the basic game focuses on rule-following interactions, the meta game—the second level of analysis—is about rule-setting processes. The meta game involves all those processes by which the actors establish the rules that shape the logic of the basic game, including forming and reforming institutions, and thus the incentives for the actors involved. As a political process, the meta game has the potential to amend and improve the interactions in the basic game of NGO service delivery and advocacy.

While the meta game is about rule-setting processes, the meta-meta game—the third level of analysis—is about creative rule-finding discourses. From an ordonomic perspective, discourse is an important precondition for successful institutional reform. To change rules, it is not enough that any individual NGO sees the desirability of doing so. In many instances, collective action is needed to reform the institutional framework, in particular situations of standard-threatening competition of NGOs. Rational actors, however, will be inclined to cooperate in the meta game and agree to institutional reforms only if they believe that such changes will benefit their strategic and moral objectives. Therefore, collective action for institutional reform presupposes a shared awareness of common interests. From an ordonomic perspective, creating such awareness is a critical function of rule-finding discourses.

The ordonomic perspective is informative both analytically and methodically. As an analytical distinction, the three social arenas allow conceptualizing NGO self-regulation as an interplay between ideas and institutions. This distinction is particularly suitable for analyzing those ideas useful to devise institutions that help organize collective action to raise common standards of behavior. As a methodical distinction, it guides empirical research to focus on the diverse governance structures—the real-world loci of rule-setting and rule-finding—which are sometimes difficult to distinguish such as informal discussions, workshops, and other decision-making or -preparing fora.

Informed by the ordonomic perspective, the collective self-regulation of NGOs can be understood as a social learning process of how coequal mixed-motive actors rule themselves in horizontal accountability relationships. Triggered by scandals, as well as internal and external pressure, international NGOs found collective platforms to respond to important legitimacy questions. These platforms host discussions about what constitutes an adequate set of (new) rules in rule-finding discourses (meta-meta game). Discussions relate to positive aspects such as the functions of self-regulation or the role of competition as well as normative aspects such as the moral self-concept of NGOs. They shape the ideas for self-regulation which, in turn, influence the way NGOs (re-)form institutions in a rule-setting process (meta game). Rules include enforcement institutions for compliance such as reporting, evaluation, monitoring, and sanctioning that support NGOs to meet the agreed-upon accountability standards. When rules (and standards) are passed in dedicated governance arenas, their scope determines the incentive properties (weak or strong) of the institutions of self-regulation which influence how NGOs adapt their behavior to accountability standards in their day-to-day activities (rule-following practice). From an ordonomic perspective, learning occurs when the results of the basic game deviate from the expectations discussed in the meta-meta game or, put differently, in the case of discrepancies between ideas and institutions. Then, NGOs have reason to play more constructive meta games to improve accountability in the basic game. This, however, depends on how NGOs perceive the situation, themselves, and their relationships. From an ordonomic perspective, this is why ideas and, in particular, their normative categories are so important.

Heeding the ordonomic notion that the self-regulation of NGO accountability is a process of social learning, our research question states as follows: How do ideas and institutions evolve and interplay in self-regulation of NGO Accountability?

5.3 Research design

To answer this research question, we designed a research strategy appropriate to analyze ideas and institutions in Accountable Now, one of the most ambitious, international, and cross-sectoral self-regulation initiatives for NGO accountability so far initiated. In this section, we describe the data (5.3.1), and the methods used to analyze ideas (5.3.2) and institutions (5.3.3).

5.3.1 Data

The documentary data collected for this study covers more than 10 years, from 2006 to 2017. It consists of more than 230 documents, totaling approximately 4400 A4 pages (Table 5-2). We conducted seven semi-structured expert interviews between 2014-2017, including four with top executives (4 top managers of member NGOs, two of which are ex-members of AN's Board), two top managers of AN's secretary, and one interview with an ex-member NGO of AN. Putting this relative low numbers of interviews in context, AN's Board counts four members and AN itself 21-25 members per year since its foundation in 2006, which means that we have interviewed a substantial portion of the board and a considerable share of members (approx. 30%). Also, our expert interview partners possess longstanding experience in NGO accountability (many of them working in the field for decades), in particular, the two former board members have shaped and influenced AN's development since its foundation. We conducted interviews with Skype in English and German (and later translated into English) which lasted

between 20 and 45 minutes. We guaranteed interview partners personal anonymity and granted them a right to revise single passages of the interview transcripts.

As identified above, there are three relevant dimensions of ideas of self-regulation that set the focus of the expert interviews while open questions allowed experts to structure content. In detail, we asked experts about the function of self-regulation in AN and how they understand and perceive competition among NGOs or related concepts such as rivalry. With the focus on the moral self-concept of NGOs, we chose an indirect approach. Instead of asking directly, we paid particular attention to the responses to other questions and followed up on identity-related issues. When confronted with challenging phenomena such as competition or cases of non-compliance with AN's accountability standards, we usually found experts to switch to the mode of sensemaking (Weick et al. 2005). When in this mode, experts often provided principled answers and explained how they understand the self-concept of NGOs.

Table 5-2. Overview of the documentary data analyzed

Type of Documents	Number of Documents	Number of Pages (approx.)
Verbatim Transcripts of Expert Interviews	7	50
Original Copies of AN's Website and Strategy Papers	6	120
Minutes of Annual General Meetings	7	50
Accountability Reports and Financial Reports of AN	15	300
Minutes of Workshops and Webinars	23	120
Accountability Reports of Members	72	2160
Evaluation Letters of the Independent Review Panel	107	1600
TOTAL	237	4400

Furthermore, we used extensive secondary data (Table 5-2). Spanning the history of AN from 2006 to 2018, this data includes minutes of webinars (2013-2017) and workshop (2010-2018), annual general meeting (AGM) minutes (2011-2017), financial and accountability reports of AN, accountability reports of AN's member organizations (2008-2016), and evaluation letters of the external, Independent Review Panel (2010-2017). We also included AN's founding letter, original copies of AN's websites from different points of its history (2008-2017), strategy papers (2013-2015), and an extensive external performance survey on accountability commissioned by AN (2016).

5.3.2 Method: Evolution of ideas

For this study, we interpret ideas as concepts that determine how people perceive, describe, and evaluate social interactions and, more specifically, how NGO actors

understand and relate the different dimensions of self-regulation. In general, ideas are seen as products of human thought (Beland and Cox 2016). In the social sciences, ideas are often conceptualized as frames (Gahan and Pekarik 2013, p. 761). Snow and Benford (1992, p. 137) define frames as “interpretative schemata that signify and condense the ‘world out there’ by selectively punctuating and encoding objects, situations, events, experiences, and sequences of action in one’s present or past environment.” Ideas may contain a set of positive and normative categories. Positive idea categories are “causal beliefs” (North et al. 2009, Beland and Cox 2016) that describe the world as people construct it. Normative frames are the “moral semantics” (Luhmann 1992) including values that make claims about ‘good’ or ‘bad’ states of the world. Often, normative categories are the driving force of ideas since they aspire higher standards of behavior and guide institutional reforms to meet them. This understanding of ideas reflects the premise of sociological approaches that social phenomena are not given facts but social constructs (Scott 2014).

To investigate the evolution of ideas in the history of Accountable Now, we use a frame analysis to reconstruct ideas of self-regulation (5.3.2.1) and track and document their appearances over time using secondary data (5.3.2.2).

5.3.2.1 Reconstructing ideas: elements, frames, and ideas

We conducted a frame analysis as proposed by Matthes and Kohring’s (2008, p. 263) to reconstruct the ideas of self-regulation. In general, their methodology suggests starting to code the elements of frames in each unit of analysis, and not to code entire frames from the beginning (as do hermeneutic or holistic methods). In contrast to interpretative approaches (Goffman 1974), the frame analysis proposed by Matthes and Kohring (2008) treats documents as “facts” to reconstruct frames empirically. The idea of this methodology is to prevent the theoretical predetermination of frames and “to neutralize the impact of the researcher” (Van Gorp, 2005, p. 503). However, this positivistic processing of documents does not lead to a naïve understanding of documents as a container of ‘true’ facts (for a critique see Riles 2006). Instead, the reconstructed frames are interpreted as the result of strategic communication which is the key idea of framing (Matthes 2012).

In our case, we analyzed interviews as a basic unit of analysis which pertain to the viewpoints of relevant actors. Then, we documented which of these elements appeared in combination within the same unit of analysis. We interpret these co-occurring elements (“clusters of elements”) as frames (Matthes and Kohring 2008, p. 263). Finally, we reconstructed ideas as clusters of frames in a similar way as in step two. Bracketing the frame analysis into these three granular steps enhances the transparency, methodical rigor, and validity of results—it eases the burden to explain and justify abstract coding (ibid).

Reconstructing elements is a creative process of developing a coding scheme. Elements are not given from the outset. They need to be defined, reflected, and re-defined in an iterative process against other elements in the data. We used Mayring’s (2014, p. 80) “inductive category formulation” to systematically guide this creative process. First, we analyzed the interviews and screened them for elements related to the three dimensions of self-regulation, including (A) the function of self-regulation, (B) the role of competition among NGOs, (C) the moral self-concept of NGOs. We found multiple statements related to each of these dimensions and, following the notion of inductive category formulation, defined as few elements as possible while covering the

relevant content in each dimension. Second, we reflected the defined elements against other elements and merged overlapping, eliminated ill-defined and re-defined elements if necessary. In this way, we were able to reduce redundancy and complexity. Third, we tested the insights (elements, frames) generated from the interview data against secondary data (data triangulation), including accountability reports, minutes of workshops, webinars, and AGMs. When appropriate, we revised elements and frames and, thus, the coding scheme. We iterated this process until further data did not add further information and elements. In doing so, we insured the validity of elements, frames, and ideas.

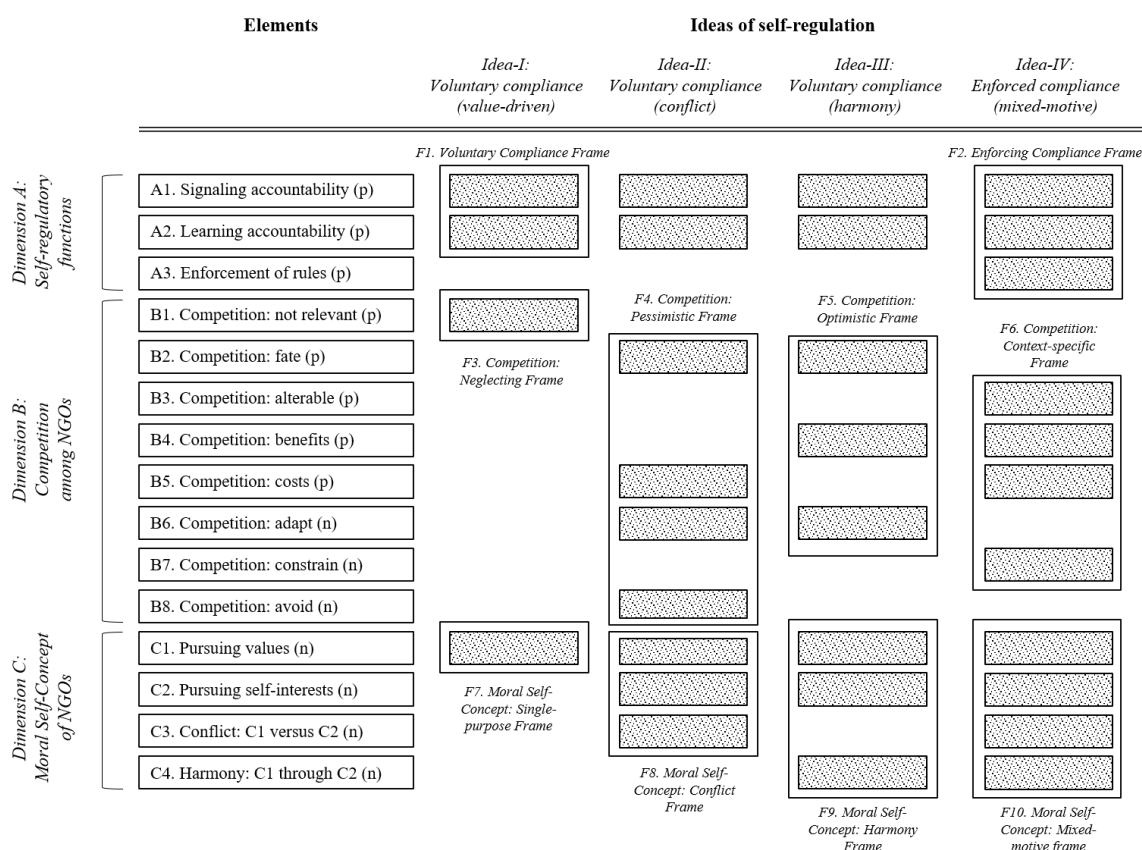


Figure 5-1. Coding scheme: Ideas as clusters of frames and frame elements

Figure 5-1 lists all coded elements (cf. Appendix A for illustrative text examples). We found actors to navigate the three dimensions of self-regulation as defined above using eight positive elements (p) and seven normative elements(n). Three positive elements describe the function of self-regulation, including “signaling accountability” to other stakeholders (especially to funders and donors) (A1); “learning accountability” within the community of peers (A2); “enforcement of rules” through monitoring, evaluations, and sanctions (A3). Actors use eight elements to navigate the challenges of competition among NGOs. Actors view competition either as “not relevant” (B1), a “fate” (B2) or “alterable” (B3); associate positive aspects with competition, encouraging NGOs to improve their services (“benefits,” B4) or negative consequences, including reputation damages and low levels of credibility of the sector (“costs,” B5). We also find statements intended to provide normative guidance for thinking about competition, including hoping for best possible outcomes (“adapt,” B6); and normative guidance for action, including limiting competition (“constrain,” B7) and circuiting it (“avoid,” B8). Four normative elements describe the self-concept of NGOs. NGOs are viewed as

“value-driven” to promote the common good (C1) and/or as actors “self-interested” in attracting resources and wielding power as an organization (C2). Key actors either view the relationship of C1 and C2 as a conflict (“values vs. self-interests,” C3) and/or in a harmony relation (“values through self-interests,” C4).

In general, these elements could appear in each unit of analysis in all possible combinations. However, elements occur in reoccurring patterns or clusters (“frames”, Matthes and Kohring 2008) related to the three dimensions of self-regulation, function, competition, and self-concept. Following a similar cluster logic, frames themselves appear in reoccurring patterns which represent, according to our conceptual framework and analysis, the ideas of NGO self-regulation. All four ideas embed a specific set of elements (3 to 11 elements). The number of elements included can be seen as an indicator of the complexity of each idea. In general, ideas of higher complexity allow perceiving a wider range of problems and processing more fine-grained solutions (Valentinov and Wallis 2017).

Idea-I: Voluntary compliance (value-driven). Idea-I is a cluster of four elements with a low complexity compared to the other ideas of self-regulation. This idea promotes a “single-purpose” frame (F7) that views NGOs as purely value-driven actors (C1), a neglect of competition (F3), and a belief in “voluntary compliance” (F1) which restricts AN’s function to signaling and learning accountability (A1 and A2).

Idea-II: Voluntary compliance (conflict). Idea-II is a cluster of eight elements with medium complexity. Regarding the moral self-concept of NGOs, this idea interprets self-interest (C1) and value orientation (C2) within a “conflict” frame (F8). It promotes a pessimistic outlook on competition (F4), since it associates competition with costs (B5), views it as the fate of NGOs (B2), and, thus, suggests NGOs should mark their space of services and avoid competition (B8) to preserve their moral mission (C1). Similar to Idea-I, self-regulation is perceived to function with “voluntary compliance” (F1) of standards alone.

Idea-III: Voluntary compliance (harmony). Idea-III is a cluster of eight elements with medium complexity. This idea envisions the two dimensions of self-concepts—values (C1) and self-interests (C2)—in a harmony frame (F9). Describing competition as the common fate of NGOs (B2), this idea highlights the benefits of competition for single NGOs and the entire sector (B4), which we reconstruct as an optimistic frame of competition (F5). According to this view, high levels of accountability will tend to pay off in competition such that “voluntary compliance” (F1) with standards is sufficient to improve accountability in practice.

Idea-IV: Enforced compliance (mixed-motive). Idea-IV is a cluster of eleven elements which features the highest complexity of all four ideas. It promotes a mixed-motive frame of the moral self-concept of NGOs (F10) which includes elements C1-C4. NGOs are seen as both value-driven and self-interested actors, whereby these two poles are viewed either in harmony or conflict depending on the institutional context. The crucial difference to previous ideas is that Idea-IV views competition as context-specific (F6), including both costs and benefits (B4, B5), but alterable through rule reforms (B3, B7). Accordingly, “enforced compliance” (F2) is seen as a way to activate self-interest of NGOs (C2) to achieve their moral missions (C1). Finally, Idea-IV aims to overcome conflict and create harmony through appropriate rule-reforms.

5.3.2.2 *Tracking ideas over time*

To analyze the evolution of ideas of self-regulation in AN's history, we coded the whole data using the four reconstructed ideas, including frames and elements. We distinguished between leadership ideas, member ideas, and ideas as they appear in joint leadership-member discussions. This distinction allows separating developments within each group from those in joint discussions dedicated to reaching consensus on controversial themes of self-regulation. We created three data subsamples to match these categories.

First, we tracked leadership ideas in documents that express the Board's view of AN, including AN's financial and accountability reports, Independent Review Panel's (IRP) evaluation letters of members' accountability reports, and minutes of the Annual General Meeting (henceforth AGM) from 2006 to 2017. IRP reports include suggestions for improvement based on the leadership's vision of AN's (future) development. AGM minutes reflect leadership views in the first part, the "Report from the Board Chair;" the remainder contains short summaries of decisions and discussions, which resonate with the view taken by members at AGMs. Its content, however, is determined and, thus, framed by the Board which is why we include AGM minutes in this category.

Second, we studied member ideas in all sections of annual member accountability reports (2006-2017). The "statement of the most senior decision maker" (Accountability Reports of Member Organizations) is of special interest for this study since this is the place where top NGO executives explain their vision of the role and the implementation accountability standards. The other sections, structured according to the GRI reporting supplement for NGOs (GRI 2018), are also included but found to be less informative for the purpose of this study.

Finally, to track ideas in joint discussions among all NGOs, including the leadership and members, we analyzed the minutes of workshops (since 2010-2017) and webinars (2013-2017). Since these discourse formats are explicitly set up to facilitate and encourage conversations between the leadership and the members, we take its minutes as indicators for the state of discussions since both the leadership and member participants are responsible for their content (Minute of AGM 2012).

5.3.3 **Method: Evolution of institutions and governance structures**

When studying institutions, we paid particular attention to AN's efforts and decisions to foster standard compliance of members through formalized procedures such as commitments to standards, reporting, evaluation and monitoring (Ebrahim 2003), as well as sanctioning (Prakash and Gugerty 2010a). An actors' public commitment to accountability standards has a potential to change the "rules of the game" (North 1990) and, thus, can be seen as an institution. If non-compliance (potentially) incurs costs (such as a withdrawal or failed renewal of funding, and support), reputational mechanisms set in and can create incentives for NGOs to improve their accountability practice. The level of costs incurred depends on the institutions for standard compliance which provide evidence of non-compliance—through reporting, evaluation, monitoring, and complaints by stakeholders—and determine the consequences of non-compliance—such as sanctioning, loss of membership, etc. Institutions for standard compliance, therefore, vary in their strength ranging from low (reporting) to high (sanctioning). Their actual strength depends on how credible a signal they send to stakeholders and the extent to which stakeholders link their support to the NGO's compliance with accountability standards (Prakash and Gugerty 2010, Brown 2008; Hielscher et al. 2017). Related to

governance structures, we focused on internal formats for members and leadership to find and collectively set new rules within the organization (Pies et al. 2014). These rules represent AN's governance structure.

To track the evolution of AN's institutions for standard compliance and governance structures, we analyzed the minutes of the AGMs, AN's accountability reports, AN's website and single interviews (2006 to 2018) to the extent that they contained important information about institutional reforms and the potential strength of institutions.

5.4 Results: The co-evolution of ideas and institutions in AN

The case study documents how the ideas and institutions of self-regulation have co-evolved within AN. Ideas follow a trend toward higher complexity. A growing number of members catch up with the more complex ideas promoted by the leadership (idea alignment). Institutions including standards, reporting, evaluation & monitoring, and sanctioning develop (formal) properties that provide stronger incentives for compliance with accountability standards. This co-evolution features a continuing dispute between the leadership and the members over the enforcement of compliance. Members tend to associate self-regulation with voluntary compliance (Ideas I, II, III), whereas the leadership highlights the need for strong(er) enforcement of rules (Idea-IV). The process of co-evolution is accompanied by reforms of governance structures including workshops and seminars (rule-finding, G-I) and annual meetings (rule-setting, G-II) with a trend toward higher formalization. In essence, these reforms enable open and trustful discussions and, therefore, mediate and mitigate the acrimony of this conflict.

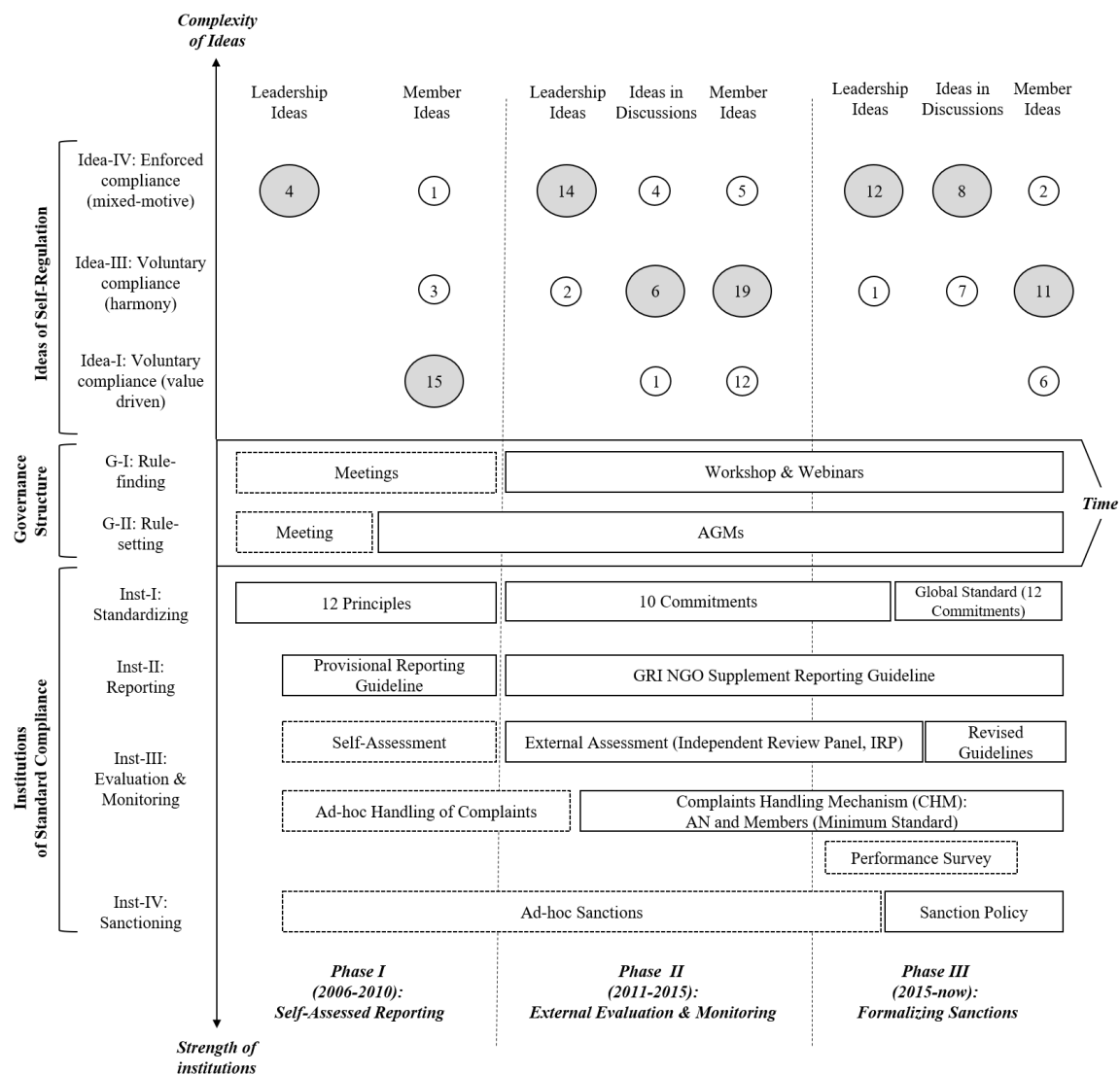


Figure 5-2. Co-evolution of ideas and institutions of self-regulation in Accountable Now

Figure 5-2 illustrates the co-evolution of ideas and institutions. This process is bracketed into three primary phases demarcated by key institutional changes and shifting foci of reform: self-assessed reporting (Phase I), external evaluation & monitoring (Phase II), and formalizing sanctions (Phase III). The x-axis represents AN's development over time (Phases I-III), in particular, the development of AN's organizational governance structure related to rule-finding (meetings, webinars, workshops; G-I) and rule-setting (AGM, G-II). The y-axis (south) represents the four key institutions of standard compliance, ordered in sequence of enforcement strength ranging from low (Inst-I) to high (Inst-IV). The y-axis (north) portrays the four ideas of NGO self-regulation, ordered in the sequence of complexity ranging from low (Idea-I) to high (Idea-IV). In each phase, we document the distribution of ideas among the leadership and members. In the following subsections 5.4.1-5.4.3, we describe the co-evolution of ideas and institutions, and the evolution of organizational governance structures of AN.

5.4.1 Phase I: Self-assessed reporting (2006-2010)

Phase I is the stage of AN's foundation as an organization in which NGO defines accountability standards and a process of annual self-assessed reporting.

5.4.1.1 Governance structure

In 2006, leading international NGO representatives, including the leadership of Oxfam International, Greenpeace International, Amnesty International, and Transparency International, signed a charter at the IANGO workshop in London. While the London workshop marks AN's informal foundation, it is not until 2008 that AN constituted itself under U.K. corporate law, then as the "INGO Accountability Charter Ltd." Supported by start-up funding of the Bertelsmann Foundation and the Ford Foundation (and others), AN set up a corporate governance structure as required by law, including a Board of Directors (henceforth Board) and an Annual General Meeting (henceforth AGM). The former runs AN's operations and assumes strategic roles (including member admissions or expulsions); the latter elects (and discharges) Board members and passes new rules and standards of accountability.

5.4.1.2 Institutions

In the founding document of AN, member NGOs committed to 12 principles that complemented the members' mission and provided guidance to balance competing stakeholder views (AN 2006). The NGOs' commitment to these accountability standards represents the reference institution Inst-I, which includes such principles as Good Governance, Responsible Advocacy, and Ethical Fundraising.

In 2008, AN introduced a provisional reporting guideline. From this point on, members were required to submit accountability reports annually for publication on AN's website. AN's reporting guideline creates the first supportive institution Inst-II that encourages—and potentially incentivizes—members not only to document but also to improve compliance with agreed-upon standards of accountability (Inst-I). In Phase I, the evaluation of standard compliance (Inst-III) relied on the self-assessment of NGOs and sanctioning (Inst-IV) was left to discretionary, ad-hoc decisions of the Board. The strength of standard enforcement is, therefore, estimated to be weak.

5.4.1.3 Ideas

In Phase I, leadership and member ideas of self-regulation diverge on the issue of rule-enforcement. Figure 5-2 (north) illustrates this ideational gap in Phase I, with circle sizes representing how often the four different ideas appear in the leadership and members subsamples. We found Idea-I in 15 member-related documents, Idea-III in 3 documents and Idea-IV in one document. The leadership consistently adheres to Idea-IV.

Leadership. As early as AN's foundation in 2006, the leadership overwhelmingly views NGOs as mixed-motive actors and competition as ambivalent. The leadership is convinced the sector needs to strengthen its accountability performance, and it is poised to employ institutions as a vehicle to define and enforce the implementation of accountability standards. AN's website as of 2007 states:

The launch of the Charter merely represents a starting point of an ongoing process to establish and implement a system that not only sets common standards of conduct for INGOs but also creates mechanisms to report, monitor and evaluate compliance as well as provide redress. Acknowledging the importance of preserving the integrity of the Charter and of ensuring the establishment of enforcement instruments, the Board on behalf of

Signatories is involved in a number of processes to further the development of the Charter.
(AN website 2007, authors' italics)

Members. Most members invoke a value-driven idea of voluntary compliance (Idea-I). This idea views NGOs as purely norm-guided actors and turns a blind eye to the role of competition as a reason for weak accountability practices. In Phase I, we primarily find participant members to use AN to signal (A1) and to learn about accountability (A2). A member organization epitomizes this view as being committed “to openness and transparency to support innovation, [...] to respond to questions and concerns, to put right what may have gone wrong, and to learn from experience” (AR World Vision 2009).

5.4.2 Phase II: External evaluation and monitoring (2011-2014)

While AN introduces novel discourse formats in Phase II, members start embracing ideas with regulation with higher complexity. Institutions for standard compliance are enforced with greater strength, in particular through external evaluation and monitoring.

5.4.2.1 Governance structure

AN created novel organizational governance formats (G-I) such as workshops and webinars to support members with the bits and pieces of complying with accountability standards. These non-public formats provide an open space for rule-finding discussions about accountability deficits, root causes and potential avenues to solve these problems. An expert illustrates this change as follows.

[Regarding AN], INGOs have found a space to get to know one another better. We have created an environment that encourages discussions of issues that we share in common or challenges that we are all facing. (Interview 6, ex-member of Board)

During a workshop in 2011, for example, members discussed “experiences and challenges on environmental performance management” (AN 2018, workshop 2011), before members decided three years later (AN 2014b) to add the eleventh commitment “Environmental Responsibility” to its standard catalog (AN 2014a).

5.4.2.2 Institutions

At the beginning of Phase II, AN revised the letter of its 12 principles and developed them into 10 “commitments to accountability” (AN 2014a). Phase II is also marked by several institutional reforms and developments to strengthen the incentives for standard compliance.

Reporting (Inst. II): AN partnered with the Global Reporting Initiative (GRI) to develop a reporting framework tailored specifically to the accountability practice of NGOs (GRI 2018). Since 2011, the GRI NGO Sector Supplement Reporting Guidelines instructs members to report in detail about how they comply with AN’s accountability standards, which allows tracking developments in more detail over time. In addition, the new reporting framework has enhanced the quality of discussions in AN because there was “a greater level of objectivity in the discussion, whereas some years ago a huge amount of damage could have been done just by somebody making some accusation.” (Interview 6, ex-member of Board)

Evaluation and Monitoring (Inst. III): In 2011, AN reformed its evaluation strategy, moving from self-assessment to the external evaluation. AN installed an Independent Review Panel (IRP), staffed with external NGO experts, to review the members’

accountability reports and provide expertise in a dedicated review letter (published on AN's website). Supported by publicly available evidence, external evaluation is apt to strengthen incentives to comply with accountability standards, since members are encouraged to provide vivid examples of good accountability practice (A1), disclose areas of potential improvement (A2), and commit to enforcing rules as a way to raise accountability standards (A3). In 2015, for example, the IRP's evaluation letter explained (in a generalized introductory section) to every member why compliance is essential for the sector.

Our sector is often criticised for having very good intentional language, but few facts and figures to prove its claims. It is against this background that the Panel asks for compliance to be proven on three levels: (i) having a written policy, (ii) providing evidence [...] (iii) assurance that it leads to positive management response and helps improving effectiveness in achieving your organization's goals. (AN 2018; Panel Feedback 2015)

Also, in Phase II, a law firm's pro-bono project helped AN set up a sectoral Complaints Handling Mechanism (CHM, AGM 2011). Introduced in 2012, AN's blueprint CHM is a standardized and litigable procedure, typically located on a website, that gives stakeholders a forum for anonymous, critical feedback about AN's and AN members' accountability practice. At the AGM 2013, members declared the implementation of an organizational CHM a mandatory minimum standard for full membership (AN 2018). In institutional terms, a standardized and easily accessible routine for stakeholders to provide critical feedback (in case of non-compliance with AN's standards) is a monitoring device that strengthens the incentives for NGOs to live up to the spirit of accountability standards in relation to stakeholders, including funders, staff, beneficiaries, or the general public. Members can also use CHMs to pressure other members that fail to comply with AN's standards.

5.4.2.3 Ideas

Leadership. In Phase II, the leadership also aims to bridge the ideational gap with members. For example, the AGM (2011) minutes frame external evaluations as an instrument to provide "in-depth feedback" and good practice experience to support member learning, and not as a tool to strengthen incentives for compliance and rule-enforcement. This can be seen as a tactic to legitimize a rather unpopular reform by invoking consented frame elements (A2) instead of contested ones (A3). In the ensuing years (2011-2014), however, strengthening rule enforcement became a key focus of discussions to promote AN's ability to increase sector-wide accountability standards. The leadership highlighted the need to establish minimum standards of accountability with the aim to "improve the Charter's reporting and vetting process" (AGM 2013).

The possibility of giving each report a "pass" or "fail" stamp was discussed. It was suggested that the Panel could give assurance that a member is "in good standing," i.e., serious about transparency and accountability. The necessity for sanctions towards organizations that do not comply with the Charter [AN] was also discussed, especially since the Charter [AN] is aiming to become a quality stamp. It was agreed that the Board will discuss all these suggestions further with the Panel and will consider the circumstances under which membership can be revoked. (AGM 2011)

Members. In Phase II, members have adopted more complex ideas of self-regulation, with a growing proportion of NGOs invoking a harmony-based idea of voluntary compliance (Idea-III). As Figure 5-2 shows, this idea appears most frequently in our data. This shift in trend is epitomized by the member organization "Plan" which classifies competition among NGOs as a driver for effectiveness.

In the context of increasing competition and scrutiny which all INGOs face, we have to meet our external accountabilities to children, donors, and our stakeholders by working together as effectively as we can. By working more efficiently across Plan, we are maximizing resources to deliver our goals for children. (AR Plan 2014)

A growing number of member NGOs also invoked the mixed-motive idea of enforced compliance (Idea IV) of self-regulation (5 of 36 in Phase II compared to 1 of 19 in Phase I). Oxfam's accountability report of 2011 provides a characteristic example.

The Charter represents an ongoing process to set up common standards of conduct for INGOs and to create mechanisms to report, monitor and evaluate compliance with those standards. (AR Oxfam 2011)

Nevertheless, many members oppose granting AN the right to enforce compliance and sanction non-compliant members in a stricter sense. This attitude is reflected in a large proportion of member ideas adhering to Ideas-I and III (31 of 36 documents in Phase II, Figure 5-2). More frequently, however, opposing rule-enforcement is combined with an optimistic view of the role of competition, as a leading NGO expert describes:

[T]he Charter's role, as I see, it is to provide a framework which is a motivator for organizations, is to help raise standards. The Charter is not designed to crush them and punish them, that would not be a useful role for such a vehicle like the Charter, the Charter is there to support the raising of standards." (Interview 3, member organization, 2014)

Ideas in discussion. The alignment of member and leadership ideas is reflected in the discussions sparked off in workshop and webinars, the minutes of which we interpret as representing a working consensus and lines of disagreements. In this subsample, the harmony-based idea of voluntary compliance appeared most frequently (Figure 5-2).

Disclosure improves the credibility of an organization. Although significant failures around diverted funds, instances of sexual abuse or negative program evaluations were publicly admitted by Oxfam and Sightsavers, the disclosure never resulted in negative consequences, but rather heightened the level of trust by donors and the public in the integrity and effectiveness of the organization. (Webinar 4, 2013)

Nevertheless, there are several documents portraying Idea-IV, including a pledge for minimum standards and stronger rule enforcement:

The Charter should come to a collective agreement on common minimum standards and decide how compliance with them is to be evidenced and vetted. - The current sanctions policy for cases of non-compliance has to be revisited. (Workshop 2012)

A further indicator for members being exposed to more complex ideas of standard compliance is a mind map of 2014 that summarizes the results of a workshop. AN puts the challenges of competition between NGOs on its agenda, despite the members' well-known reluctance to address this issue. The workshop raises questions such as "Is there competition between ourselves?! ... Global and local?" or "Does everyone have the same space?" and "We compete on different levels [with the] common goal to improve the state of society" (Appendix B, AN 2014a).

5.4.3 Phase III: Formalizing sanctions of NGO accountability (2015-now)

Stronger efforts to reveal, evaluate and sanction non-compliance with accountability standards marks the beginning of a third, and for the time being, last Phase III of AN's history (formalizing sanctions). In this phase, significant institutional reforms coincide with small changes in ideas, while governance structures remain largely unamended.

5.4.3.1 Institutions

In 2015, AN launched the Global Standards Project in partnership with six other regional accountability networks to reach out to harmonize its standards with other standards around the globe (Inst-I). Harmonizing standards lowers reporting costs for NGOs if multiple memberships are required. It also prevents regulatory competition and, thus, networks from subverting the quality of standards to attract members from other networks. In June 2017, the AGM adopted the Global Standard as the new NGO accountability framework with 12 “commitments organized for dynamic accountability” (Global Standard 2018).

In 2016, AN took steps to enforce standards by evaluating the accountability performance of its members compared to non-members. When AN commissioned a “performance survey on CSO accountability” with an external consultancy, its results revealed accountability deficits of 20 members and 20 non-members. For example, only a few members (3 out of 40 NGOs) ever responded to complaints raised through their CHMs, which is a key standard of stakeholder participation, and only a few NGOs had a formal procedure to create and exit advocacy positions, a key component of AN’s commitment “Advocate for Fundamental Change.” Members performed better in transparency than non-members; they tend to disclose more information in their IRP-reviewed accountability reports (AN 2016b).

The publicly disclosed accountability deficits create reputational costs for low performing NGOs, including non-members, and incentives to improve practice. At the AGM in 2017, the IRP proposed major changes to the evaluation scheme of member reporting. These reform proposals include “quantitative scoring and traffic lights in addition to qualitative feedback and good practice rosettes” as well as “website fact checks by the Review Panel.” The minutes state that the participants of the AGM, including members and leadership, generally agreed on the “line of direction” of these proposals.

5.4.3.2 Ideas

In Phase III, the enforcement of rules continues to be a highly controversial issue among leadership and members.

Leadership: As in earlier phases, the leadership adheres to the idea that members require appropriate incentives to improve compliance. In line with this idea, the leadership decided to measure the accountability performance of AN members compared to non-members (“proving we walk the talk”) in 2015. The leadership seems to have decided unilaterally to conduct this survey; we find no documentation that hints to a collective decision that includes AN members, e.g., at the AGM 2015.

In 2016, the results of the performance survey revealed widespread non-compliance with AN’s minimum standards, the Complaints Handling Mechanism (CHM). Both members and the leadership have been “shocked” by these “disastrous” results.

I would say: Shocking! And I do not mean it that negative. The performance survey showed in which areas AN produces added value, which is in the area of transparency, in particular. The survey clearly revealed implementation gaps. (Interview 7; English translation, former Board Member)

Beyond checking and fixing CHMs, we believe that this large-scale disclosure of wide-spread non-compliance among members had a catalyzing effect to legitimize ideas that support rule-enforcement and stronger incentive effects that members had opposed

before. In 2017, the leadership pushed the issue to a new level and issued a new “sanctions policy” to address non-compliance in NGO accountability reporting. The semantic is important here. Before the survey, the leadership used terms such as “evaluation,” “monitoring,” “vetting” or “evaluation” related to rule compliance. After the survey, the leadership refers to the much stronger term “sanctions” and complements the reporting guidelines with an entirely new policy to enforce compliance with AN’s accountability standards. In a similar way, the Independent Review Panel (IRP), as part of the leadership, uses far more confrontative rhetoric than usual to address member non-compliance in relation to AN’s minimum standard to provide a functioning CHM to stakeholders.

A recent study [...] revealed that only three out of these 40 CSOs responded with an appropriate answer to a complaint test within three weeks. This is alarming. All Members of Accountable Now should have a fully functioning feedback mechanism in place. However, when checking your reports, we found a consistent lack of reporting filed complaints per type, quantity, and region as well as a total lack of information on how they were resolved. We believe this is not an acceptable level of accountability. (Letter of Evaluation of the Independent Review Panel 2017)

Members: In Phase III, member ideas stabilize at Phase II levels (Figure 5-2). However, statements about the members’ reactions to their poor accountability performance indicate that they see a value in stronger enforcement mechanisms. For example, during the AGM in 2017, the members agreed with the new guidelines that included quantitative scoring and traffic lights and clearly display stronger incentives to comply with standards.

Ideas in discussion: Figure 5-2 documents an evolution of ideas in discussion. In Phase III, the most common idea is the mixed-motive-based idea of enforced compliance (Idea-IV). Reviewing the rather poor results of the performance survey, members and leadership discussed root causes for non-compliance (AN 2016a, webinar 12). Members explained non-compliance with a “lack of resources” and “time”; some even admitted that standard compliance was “not a priority”; others argued that improvements are still being made since accountability performance “used to be worse.” Although these reasons given do not question the legitimacy of AN’s standards, they nevertheless indicate both a lack of institutionalized incentives for compliance and that many members still adhere ideas (Idea-I, -II and -III) that include a voluntary compliance frame instead of an enforced compliance frame (Idea-IV).

In addition, current discussions in webinars address the challenge to implement AN’s standards not only in international NGO headquarters but also in NGO national subsidiaries or chapters. Thus far, AN’s standards mainly apply to international headquarters but struggle to “establish a globally consistent accountability culture and practice in international [NGOs]” (AN 2016a; webinar 11). According to the leadership, in the future, the regulatory range of AN shall also include more international NGOs’ national units. This discussion can be interpreted as an attempt of the leadership to strengthen rule-enforcement (Idea-IV) as an idea among members.

5.5 Theoretical implications

Our longitudinal case study finds a co-evolution of ideas and institutions of self-regulation, with ideas and institutions developing in a noticeable sequential logic. Institutional reforms, in some cases, follow a previous shift in ideas and in reverse order in others. Since the sequential occurrence tends to indicate causality, our study also

suggests interdependence between ideas and institutions. Based on these findings, we propose an empirically derived theoretical model with nine propositions which can be put to further empirical tests in the future (Figure 5-3).

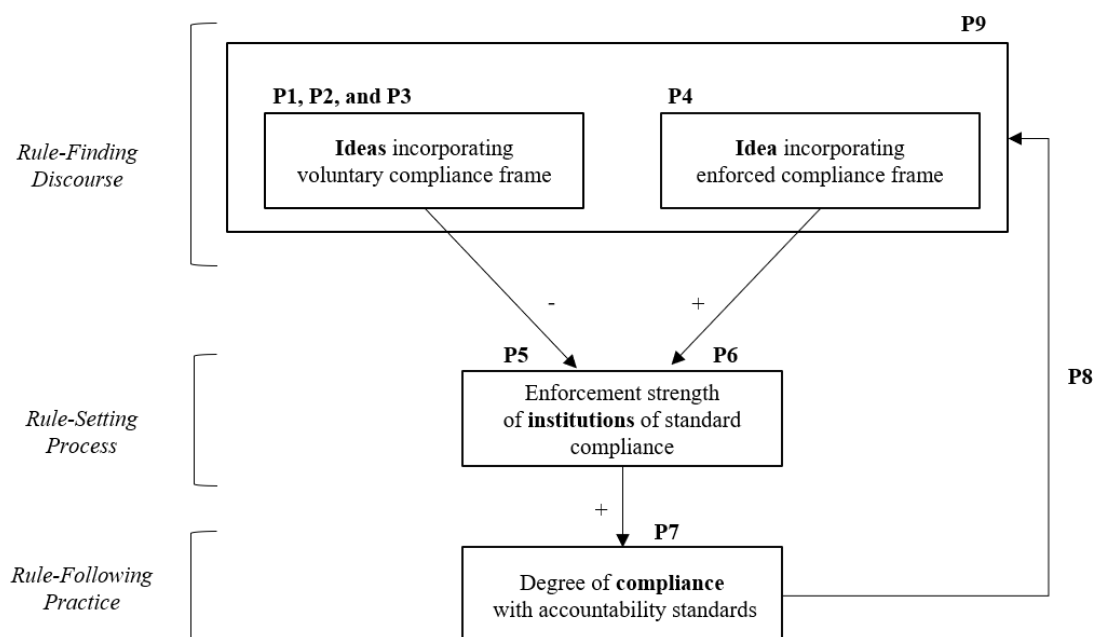


Figure 5-3. A theoretical model of the interdependence of institutions and ideas in the self-regulation of NGO accountability

Four different ideas of self-regulation are made up of empirically co-occurring and distinct components: frames and frame elements. All ideas are internally consistent, meaning that the frames logically complement each other. More importantly, however, our case study finds two principal ways NGOs perceive of self-regulatory functions: voluntary compliance (Idea-I, -II, and -III) or enforced compliance (Idea-IV). Voluntary compliance with agreed-upon standards of accountability is associated with either...

- ...a frame that neglects the existence/relevance of competition among NGOs and a single-purpose frame that envisions NGOs as purely value-driven actors (proposition 1), or
- ...a frame that exclusively highlights the adverse effects of competition and a conflict frame that antagonizes values and self-interests (proposition 2), or
- ...a frame that exclusively highlights the beneficial effects of competition and a harmony frame that reconciles values and self-interests (proposition 3).

While there are three ways NGOs reason voluntary compliance, there is only one way to conceptualize enforced compliance (Idea IV). The idea of enforced compliance is associated with a context-specific frame of competition that acknowledges both its adverse and beneficial effects and a mixed-motive self-concept frame that recognizes both conflict and harmony between values and self-interests (proposition 4).

During interviews, we often challenged experts with information about questionable NGO practices or non-compliance (violation of accountability of standards) that contradicted their moral self-concept. We find that experts usually entered a mode of “sensemaking” (Weick et al. 2005) to find ways to navigate these conflicts and to restore consistency. We found different strategies to deny, downplay, or integrate challenging

information (cf. Dewulf and Bouwen 2012), but never attempts to question and change the underlying moral self-concept. If this observation has a more general significance, this strategy of sensemaking suggests a causality between frames within each idea. Therefore, we hypothesize that the frames of NGO self-concept are axiomatic in the sense that they shape the frames of competition and subsequently self-regulatory functions.

In essence, interdependent co-evolution means that ideas and institutions mutually influence each other. We explain this interdependent logic in the following two subsections.

5.5.1 Ideas influence institutions

Ideas influence institutions in two distinct ways. First, ideas incorporating voluntary compliance frames weaken the enforcement strength of institutions (proposition 5). Second, ideas incorporating frames of enforced compliance tend to strengthen institutions and their incentive effects (proposition 6). Both propositions immediately follow from the functions of self-regulation envisaged by the various ideas that include either voluntary and enforced compliance frames. Voluntary compliance frames view self-regulation only as instruments of signaling and learning (improving) accountable practices by virtue of voluntary action, but not as a tool for rule-enforcement. In contrast, the additional and deliberate objective of the enforced compliance frame is to strengthen incentives for NGOs to follow rules, using mechanisms of reporting, monitoring, evaluation, and sanctions.

The history of AN's three phases of ideational and institutional development supports both propositions. In essence, our study documents the constant struggle between members that favor voluntary compliance frames and the leadership that strives for stronger rule-enforcement mechanisms. In Phase I, a majority of NGOs adheres to low-complex voluntary compliance ideas (Idea-I), and the institutional strength of rule-enforcement is low. In Phase II, NGOs adopt ideas with higher complexity, with fewer members opposing stronger rule enforcement. In this period, NGOs set up institutional reforms intended to strengthen incentives for standard compliance, including formalized reporting and external evaluation and monitoring. In Phase III, we document a further institutional shift toward stronger enforcement when NGOs implement an explicit sanctioning policy. Since ideational changes (which close the gap between members and the leadership) precede institutional reforms, we theorize that institutions with stronger rule-enforcement properties follow from the dissemination of more complex ideas among participating NGOs (proposition 6).

5.5.2 Institutions influence ideas

Institutions also influence ideas. In contrast to ideas, however, institutions shape ideas indirectly in two different steps.

First, institutions influence how NGOs comply with accountability standards in their day-to-day practice. In particular, a low enforcement strength of institutions impedes compliance with accountability standards in practice, whereas a high enforcement strength fosters it (proposition 7). Although we did not collect primary data to study the practice of member compliance, our secondary data includes a performance survey of CSO accountability conducted in 2016, two interviews with the involved leadership of AN, and evaluation letters of the Independent Review Panel (IRP). Many of these

sources document low compliance of both members and non-members, in particular with the agreed upon minimum standard (the complaints handling mechanism). While several webinars provided the required know-how for implementation, these results indicate that AN's enforcement institutions were weak, providing insufficient incentives for compliance.

Second, perceptions of compliance influence ideas of self-regulation. In analogy to ideas, the evolution of institutions also shows a logical pattern, insofar that institutions consistently build upon each other. For example, AN agreed upon accountability standards before devising a reporting scheme; and it implemented external monitoring and evaluation before establishing a formal sanction policy, etc.

We theorize that low compliance with accountability standards challenges ideas of self-regulation (proposition 8). To be able to reveal non-compliance, NGOs need to set up an institutional framework of accountability, including normative standards that delineate what counts as an accountable NGO practice from what does not. Reporting is required to reveal information; and evaluation is needed to examine whether this piece of information complies with the agreed-upon standards. Several sources, including two interviews, a letter of the IRP and the minutes of the AGM 2016, showed that the public disclosure of non-compliance caused widespread irritation and disappointment among member NGOs. We theorize that this 'rendezvous with reality' challenged the voluntary compliance frames incorporated in Idea-I, -II, and -III and (partly) convinced NGOs to acknowledge that learning in workshops and webinars is not sufficient to increase compliance. Even more so, NGOs agreed to intensify evaluation and monitoring, and implement a sanction policy in 2017. These institutional reforms are only compatible with the enforced compliance frame of Idea-IV.

Summing up, the interdependent co-evolution of ideas and institutions is embedded in a supporting governance framework of rule-finding discourses. We theorize that governance innovations (G-I-type), in particular, novel discourse formats (in workshops, webinars, and peer advice groups), facilitate open, trustful, and reflective discussions among NGO peers. As a result, they catalyze ideational shifts toward more complex ideas of self-regulation (proposition 9). As our study shows, the introduction of discussion and learning formats precedes ideational shifts in Phase II. These formats are governed by specific rules, including the rule of non-publicness, which enables participants to speak up and discuss problems more openly. For example, the very first workshop in 2010 which hosted discussions about the development of the GRI reporting framework seems to have had a long-lasting and positive impact on the quality of discussions in AN in general.

5.6 Discussion and contribution

With a few notable exceptions, research on horizontal accountability relationships—what we refer to as self-regulation—is fragmented in dispersed and standalone sub-debates. The lack of dialogue impedes a broader, critical revision of hypotheses and arguments. From the heuristic perspective of this paper, one can derive a theoretically-founded presumption as to why this is so. We conjecture that there is no readily available conceptual approach at hand that allows to systematically think normative ideas and institutionalized incentives together in a consistent concept. We hope that our empirically derived theoretical contribution can be seen by scholars of diverse strands as a bridge between seemingly contradicting concepts and, thus, may bring together

diverse research traditions and conceptualizations to spur a renewed and fruitful learning process on the peer accountability efforts of NGOs and organizations more generally.

Regarding the debate on the self-regulation of NGO accountability, sociological and economic approaches have generated valuable insights into the role of ideas and institutionalized incentives as independent drivers of the self-regulation of NGO accountability. Yet sociological approaches tend to envisage organizational learning without systematically analyzing the incentive properties of institutions, whereas economic approaches fail to re-inject their contribution as a stimulus of learning to inform, reform and disseminate new ideas of self-regulation. Our analysis of the interdependence of institutions and ideas helps explain the development of NGO self-regulation and provides normative guidance for improving their performance.

Sociological approaches (e.g., Deloffre 2010, O'Dwyer and Unerman 2008, O'Dwyer and Boomsma 2015, Boomsma and O'Dwyer 2018, O'Leary 2016) can benefit from our model in two ways. First, although emphasizing the important aspect of the moral self-concept of NGOs, sociological scholars could follow Scott's (2014) call and enrich their approach by integrating a systematic analysis of the incentive properties of institutions. This analysis would help understand how rule enforcement can promote the moral missions of NGOs. Second, ideas of self-regulation are more complex than occasionally suggested. Ideas not only include normative frames—the moral self-concept of NGOs—, but also positives frames that shape the NGOs' perceptions of competition and self-regulatory functions. In addition, our model suggests that positive and normative frames are interrelated in systematic ways. Normative frames of low complexity (single-purpose, conflict, and harmony frames) limit the perspective on competition and functions of self-regulation, whereas normative frames of high complexity (mixed-motive frame) broaden these positive frames and enable a more differentiated view. Sociological approaches could use these insights to reconcile the moral missions and organizational self-interests of NGOs and, by doing so, provide guidance for practitioners to improve NGO accountability.

Our findings also provide guidance for how economic approaches (Prakash and Gugerty 2010a; 2010b) can broaden their perspective. So far, they tend to maneuver into an argumentative 'dead end' if they call for stronger rule enforcement, be it through self- or third-party regulation while shunning the ideational reasons for why NGOs oppose this piece of advice. Our study identifies which ideas, and which normative frames (!), promote and which hamper incentive-strengthening institutional reform. Using their traditional strength in the analysis of the incentive properties of institutional frameworks, economic approaches could use our insights to make a strong moral case for ideational reforms. Educating NGOs about the horizon-broadening properties of the mixed-motive self-concept can be a strong catalyst for demonstrating how institutionalized incentives can help NGOs promote their organizational self-interests (i.e., their funding and donor relationships) and their moral missions.

A deeper knowledge of the interdependence between ideas and institutions in the process of self-regulation of horizontal NGO accountability also contributes valuable insights to the broader accounting and society literature. While several contributions have highlighted the "endogeneity of legal regulation" (Edelman et al. 1999) as an interactive process in vertical relationships between the subjects (the regulators) and the objects (the regulated) of regulation (Bozanic et al. 2012, Kilian and O'Reagon 2014), our model explains the endogeneity of self-regulation as an interactive process among coequal peers and peer organizations. In contrast to economic approaches (Barnett and

King 2008) that highlight the role of external shocks to initiate self-regulation, our analysis shows that endogenous development can be explained as an interdependent co-evolution of ideas and institutions. In doing so, our model supports (and differentiates) existing sociological accounts which highlight the importance of developing shared ideas to address common problems (Ansari et al. 2013). Nevertheless, our approach also shows that not any shared idea is equally able of addressing collective action problems as effectively as another. The value of our analysis is to show that some ideas, including the voluntary compliance frame, weaken the enforcement strength of institutions. Ideas of self-regulation should rather include a fine-grained understanding of the incentive properties of those institutions that help raise accountability standards under competition. It is only when actors are equipped with such ideas that they can devise suitable institutional reforms to change the incentive structure that help overcome collective action problems.

Against this backdrop, our model provides a toolkit to develop long-term strategies for organizational self-regulation. If empirical studies show low levels of compliance, our model suggests strengthening incentives for rule-enforcement to improve the accountability performance of the involved organizations. If studies show opposition against stronger rule enforcement, our model sees a need for ideational innovations. Self-regulatory initiatives should then consider introducing appropriate formats to promote a culture of open and trustful discussion about legitimate forms of organizational self-interests (mixed-motive self-concept) and how competition interferes with efforts to improve accountability. In this context, it is important to note that even ‘minor’ institutional reforms such as defining standards or establishing provisional reporting can promote ideational change, if they help to rationalize discussions and providing credible evidence for (low or high levels of) accountability. Finally, since institutional and ideational changes require enduring engagement over years, the leadership plays a key role in guiding these processes.

Finally, we also need to be cautious as to the limitations of our study. First, while our analysis focused on the interaction among members and the elected leadership of the NGO self-regulatory initiative Accountable Now, there are of course other actors that participate in and influence the process of self-regulation. These actors are not part of this study. Future research should focus on how third parties such as state authorities, professional organizations like the Global Reporting Initiative, private foundations or external advisors support or hamper self-regulation. Second, we are aware of the general reservation of parts of the managerial literature regarding certain assumptions of rational behavior in (institutional) economic theory. We hope we have made it clear enough that the use of rationality in ordonomics is tailored to a specific, stylized purpose—to model the reactions of organizations under competitive pressure—and not a general assumption about organizational or even human behavior in general. Third, our case study on AN provides an encompassing historical documentation of the co-evolution of ideas and institution over nearly one decade. However, tracking the diverse ideas of self-regulation is prone to a certain degree of fuzziness. For example, since the unit of analysis is a single document, our frame analysis could not track competing frames within the same document. Still, this seems to be problematic only for documents of the category “discussed ideas” which summarize discussions of diverse actors in minutes of webinars and workshops. Also, due to our focus on long-term development, the frame analysis used here is not sensitive to interactive framing dynamics (Dewulf and Bouwen 2012). Further, we only ascribe those intentions and interests that the involved actors articulate, which of course leaves open the possibility that some actors may have hidden

(normative) agendas. Yet the costly, long-term engagement of most NGOs in AN suggests a certain level of sincerity to foster organizational accountability through AN. Finally, what remains an open issue of academic research and an enormous task for self-regulatory initiatives is how to handle the challenge of free-riding non-member organizations which put competitive pressure on compliant members.

5.7 Conclusion

This paper has studied the interdependence of ideas and institutions in the self-regulation of NGOs, with a focus on the horizontal relationships among coequal peers. Beyond many insightful details, we provide an empirically derived heuristic to understand why some self-regulatory initiatives fail and others succeed. In short, suitable ideas need to guide the development of institutions that effectively address collective action problems. We believe that a better understanding of the dynamics of self-regulation promotes the narrower interests of the participating actors in self-regulation, but, even more importantly, the much broader interests of society at large. When confronted with the myriads of global challenges such as climate change, food security, migration, and international free trade, the power of single-national-state regulation is necessarily waning. In light of the many globalized challenges, effective organizational self-regulation of NGOs, business firms, nation-states, and other actors to effectively address these problems becomes a key condition for a flourishing world society. In the case of Accountable Now, an improved self-regulation of NGO accountability can promote the performance of the whole NGO sector. It would put the whole sector in a position to execute much improved catalyzing functions than at present, including advocacy, service provision, and community building, and provide effective incentives for the political and the economic sector to follow suit.

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5.9 Appendix

Appendix A. Illustrating text examples for the coding scheme

Frame elements	Dimension A: Self-regulatory functions
A1. Signaling accountability	Well, I think it [Accountable Now] is about attracting resources to our organization. Donors look at our value added in the whole process from donor to recipient, and they want to make sure that organization XY is an organization that they can trust, and that has the capacity to maintain its accountability standards. (Interview 2, member)
A2. Learning accountability	Reporting to the Accountable Now initiates learning process and organizational development within members. Additionally, it fosters the engagement in constructive dialogues (Interview 5, administrative staff of AN)
A3. Enforcement of rules	The launch of the Charter merely represents a starting point of an ongoing process to establish and implement a system that not only sets common standards of conduct for INGOs but also creates mechanisms to report, monitor and evaluate compliance as well as provide redress. Acknowledging the importance of preserving the integrity of the Charter and of ensuring the establishment of enforcement instruments, the Board on behalf of Signatories is involved in a number of processes to further the development of the Charter. (AN's website 2008)
Frame elements	Dimension B: Competition among NGOs
B1. Competition: not relevant	So, I do not think actually. I do not see where competition comes in with NGOs that much. Although I have seen people being competitive, but I have always found the weird, because I do not, as I say, my goal it is for us not to exist as an organization. (Interview 1, former member)
B2. Competition: fate	Well, I just think, this [competition] is reality, so it is not good or bad, it is inevitable. I mean the consequences are that each NGO has to do better. If you are in a situation with a lot of competition, there are opportunities for collaboration; there are opportunities to do better, to compete in this very busy media space and this very busy government or stakeholder space where there is a very conscious tightening of budgets. (Interview 3, member)
B3. Competition: alterable	But let me just add one other dimension to the point where the greater good is served by us putting limits on the way we compete with one another. We also know sharing information on what's going wrong. [...] I think that is another way in which: 'Yes there is still competition, but in the interest of the greater good leading NGO put limits on the way we compete and in fact are now much more likely to work together to achieve our goals. (Interview 7, former board member)
B4. Competition: benefits	I do not see anything wrong with that. It [competition] helps us try to be better. It helps to keep pace with the development scene, so competition I think is a healthy thing at the donation level. (Interview 2, member)
B5. Competition: costs	[In] recent times we detected a return to unacceptable marketing practices by one of our sister NGO. There are standards of around use of the imagery that shows children dirty, vulnerable, sick, dying. We have in the past agreed that while we need to show that there is a desperate need, this should not be at the point of using the image of a particular child near death to raise money. This sort of imagery can be very effective, and it works for a short period - but it presents people and communities without dignity. (Interview 7, former board member)
B6. Competition: adapt	I do not know. I mean, I would hope we are not competing, to be honest. I guess funding is an area where it would be obvious. (Interview 1, former member)

B7. Competition: constrain	Members should assure that funders are aware: "It is better to be a member in an accountability network and to engage in a critical and public assessment than not being a member of any network. (Interview 5, Secretary of Accountable Now)
B8. Competition: avoid	"[I]f we had a funder, and we met an organization that we feel is doing some good work, we recommend them to the funder. (Interview 1, former member)

Frame elements	Dimension C: Moral self-concept of NGOs
C1. Pursuing Values	Also, because NGOs claim that we are supposedly working in the public interest, people are more outraged if they hear that NGOs have done something bad. We see much more significant levels of corruption on the part of governments and the private sector, but nobody says anything. (Interview 7, former board member)
C2. Pursuing self-interests	[In] recent times we detected a return to unacceptable marketing practices by one of our sister NGO. There are standards of around use of the imagery that shows children dirty, vulnerable, sick, dying. We have in the past agreed that while we need to show that there is desperate need, this should not be at the point of using the image of a particular child near death to raise money. This sort of imagery can be very effective, and it works for a short period - but it presents people and communities without dignity. (Interview 7, former board member)
C3. Conflict: C1 vs. C2	This is not a money-making business. This is a business of changing the world. And if basically people are already doing this and there is no space for you to do it, then why waste your time and energy doing it? Be happy that you do not have to deal with that. (Interview 1, former member)
C3. Harmony: C1 through. C2	I find it really odd if any of AN's members would actually invent their data. It would be really surprising to me if this is even possible, even if they [AN's member organizations] would want to exaggerate something because there would be no motivation or whatsoever to do that [...]. [I]f one day during a spot check there is discovered, that somebody has broken or breached [AN's accountability standards], that they [AN's member organization] have lied on their reporting form, for example, then, in that case, the funding would be withdrawn. (Interview 3, Leading Manager of Member Organization)

Appendix B. Discussing Competition among NGOs: Extract from a Mind Map of Accountable Now



6 Saving the Moral Capital of NGOs: Identifying One-Sided and Many-Sided Social Dilemmas in NGO Accountability

Stefan Hielscher, Jan Winkin, Angela Crack, and Ingo Pies

Abstract

The literature on nonprofit management has embraced the concept of “accountability” to target urgent challenges related to NGO probity and integrity, and there have been attempts in the literature to use rational-choice-based governance approaches to solve them. Although the existing principal–agent frameworks provide important insights, they are limited to the analysis of financial relationships between NGOs and donors. We contribute to the literature in developing a comprehensive rational-choice-based governance approach to analyze all stakeholder relationships of NGOs. Applying the research program of ordonomics, we unpack two fundamental interaction problems: (a) the “stakeholder dilemma” between the NGO and a single accountability holder as a one-sided social dilemma and (b) the “competition dilemma” among rival NGOs as a many-sided social dilemma. We show that improving NGO accountability in relation to intended beneficiaries, peer organizations, and the general public also requires identifying the underlying governance problem as a competition dilemma focusing on collective self-regulation as a solution.

Keywords: NGO Accountability, Social Dilemma Analysis, Advocacy, Governance, Ordonomics

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6.1 Introduction

Non-governmental organizations (henceforth: NGOs²⁰) are generally perceived by the public as trustworthy and benign actors, particularly in comparison with political institutions and the corporate sector (Edelman 2015). Nevertheless, recent years have witnessed several NGO scandals related to corruption or the mismanagement and misappropriation of funds (Gibelman and Gelman 2001; Greenle et al. 2007). In addition, NGOs are criticized for morally controversial but legal behavior such as the misinformation or even the deception of the general public, which has resulted in increased efforts to analyze and improve the sector's reputation for probity and integrity (Hortsch 2010; Will and Pies 2016).

Many scholars in the field of nonprofit management have expressed fears that the series of scandals will threaten the "moral capital"²¹ (Crack 2013a, p. 813) of NGOs, undermining their role as credible advocates of social causes (Ebrahim 2003). Although only a minority of NGOs seems to be involved in defamatory scandals, the moral misconduct of a single NGO may even cause substantial reputational damages for other, noninvolved NGOs. Thus, even NGOs with the highest standards of conduct have a stake in this debate, since there is an ever-present threat that the activities of rogue NGOs could cause a crisis of public confidence that affects the credibility of the sector as a whole (Brown and Kalegaonkar 2002; Brown 2008; Prakash and Gugerty 2010a; Omona and Mukuye 2013).

NGOs and academics have developed the concept of NGO accountability²² to address these challenges (Slim 2002), using stakeholder theory as a relational approach to frame the various relationships (Brown and Moore 2001; Benjamin 2008; Cordery and Baskerville 2010; Schmitz et al. 2012). Legal accountability matters in the case of NGOs violating national or international law (Slim 2002), and it is intended to inhibit financial misconduct such as embezzlement. Depending on the wording of the specific national law, however, legal accountability does not necessarily cover all cases of mismanagement. Such misbehavior then needs to be addressed with the broader concept of moral accountability that can be invoked whenever NGO behavior conflicts with the "social values and public constituencies that it was formed to advocate and represent" (Jepson 2005, p. 520). Thus, moral accountability is a much broader, more open, and thus also more contested concept to which the many academic discussions bear vital testimony (Ebrahim 2003; Lister 2003; Williams and Taylor 2013). Whenever we allude

²⁰ The term 'NGO' is notoriously broad. It can be applied to a variety of different organizational forms (Vakil 1997). Based on a recent "comprehensive definition" by Martens (2002, p. 282), NGOs can be seen as "societal actors," i.e., as "formal (professionalized) independent societal organizations whose primary aim is to promote common goals at the national or the international level." We follow this broader definition, which also embeds Salamon and Anheier's (1992) characterization of non-profit organizations (NPOs) featuring institutionalization, independence, non-distribution constraint, self-government, and voluntary participation.

²¹ According to Kane (2001, p. 10), moral capital is "a resource that can be employed for legitimating some persons, positions and offices and for delegitimizing others, for mobilizing support and for disarming opposition, for creating and exploiting political opportunities that otherwise would not exist. "The "quantum" of moral capital is when "people judge the agents or institutions to be both faithful and effective in serving those values and goals."

²² The prevailing understanding of NGO accountability is perhaps most succinctly summarized by Slim as a "process by which an NGO holds itself openly responsible for what it believes, what it does and what it does not do in a way which shows it involving all concerned parties and actively responding to what it learns" (Slim 2002).

to “NGO accountability” in this paper, we refer to this broader notion of the moral accountability of NGOs.

In this article, we take the literature (Cooley and Ron 2002; Cornforth 2003; Prakash and Gugerty 2010a) forward in developing a comprehensive rational-choice-based governance approach of NGO behavior by applying the research program of “ordonomics” (Pies et al. 2009; Valentinov et al. 2013). Existing principal–agent frameworks provide a sharp analysis of predominantly financial relationships between NGOs and donors characterized by elaborated contractual rights, including the right to demand reports and evaluation procedures (Cordery and Baskerville 2010). In addition, the donor’s potential threat to withdraw funds creates a strong incentive for NGOs to meet donor standards. However, the limitations of principal–agent frameworks become evident when applied to the domain of nonfinancial NGO–stakeholder relations, in which potential principals possess only low sanctioning potential.

We can show that improving NGO accountability to intended beneficiaries, peer organizations, and the general public requires (a) identifying the underlying governance problem—as a one-sided “stakeholder dilemma” between the NGO and a single accountability holder—or as a many-sided “competition dilemma” among rival NGOs—and (b) focusing on collective self-regulation as a solution (Hielscher et al. 2016).

We develop this argument in four steps: following Crack’s (2013a) “two-waves” framework we review the literature on NGO accountability in the section 6.2, with a special focus on the rational-choice-based approaches of Prakash and Gugerty (2010a) as well as Cooley and Ron (2002). In the section 6.3, titled “The Ordonomic Rational-Choice-Approach to NGO Accountability,” we introduce the ordonomic approach (Pies et al. 2009), briefly discuss its basic assumptions, and develop the conceptual distinction between one-sided social dilemmas and many-sided social dilemmas. In the section 6.4, titled “Identifying One-Sided and Many-Sided Social Dilemmas in NGO Accountability Practice,” we apply this basic conceptual distinction to clarify the concept of NGO accountability by reconstructing two different interaction problems whose solutions require fundamentally different accountability mechanisms. In the section 6.5, titled “How to Move Forward: Implications for a “Third Wave” of NGO Accountability Reforms,” we discuss potential reform options. The paper concludes with implications for further research.

6.2 Literature review: Governance perspectives on NGO Accountability

The academic interest in NGO accountability stems from the global development of civil society over the last 25 years. After the Cold War, NGOs assumed a more prominent role in publicizing the otherwise neglected social and environmental challenges in global public discourses, thus contributing to the democratic validity of governance (cf. Crack 2013b, p. 3). Yet, NGOs also attracted much criticism for mismanagement, questionable practices in fundraising, corruption, and for misleading the general public, which led to calls from donors and the media for greater accountability from the non-profit sector (Cavill and Sohail 2007, p. 233; Crack 2013a).

In addition, NGOs were assuming an increasingly prominent role in criticizing the accountability of political actors and corporations (Hortsch 2010, p. 129), thereby influencing public discourse via agenda setting, but rendering themselves vulnerable to criticisms that they were not subject to similar levels of accountability that they

demanding from others (Hammer et al. 2010, p. 1). Leading NGOs began to engage in a sector-wide debate about the meaning of “accountability” for NGOs. The establishment of major self-regulation initiatives such as the Sphere Project in 1997 and the INGO Accountability Charter²³ in 2006 signaled that leading NGOs had reached common agreement that “accountability” should encompass principles of transparency, participation, and answerability (<http://www.sphereproject.org>, <http://www.ingoaccountabilitycharter.org>).

To review the literature on the governance dimensions of NGO accountability, we use Crack’s (2013a) “two-waves” framework both to illustrate why governance reforms in NGO accountability increasingly address issues related to advocacy (in our subsection on “Two Waves of NGO Accountability: Mapping Stakeholder Relationships and Accountability Mechanisms”) and how the two most-advanced and comprehensive rational-choice approaches to NGO accountability fail to address related challenges (in our subsection on “Rational-Choice-Based Governance Approaches to NGO Accountability”).

6.2.1 Two waves of NGO accountability: Mapping stakeholder relationships and accountability mechanisms

Although governance reforms vary heavily across regional and organizational factors, Crack’s (2013a) two-waves framework helps in mapping the panorama of NGO–stakeholder relationships. In doing so, we follow the broadly accepted convention to use notions of “stakeholder relations” to frame the various connections and the accountability demands between NGOs and their stakeholders (cf. also Brown and Moore 2001; Ebrahim 2002; Benjamin 2008; Cordery and Baskerville 2010; Schmitz et al. 2012).

(1) The first wave of accountability reforms amongst leading NGOs addressed “accountability for good governance.” This was primarily a defensive strategy by NGOs to serve the “strategic needs to placate governments and donors to protect their autonomy from external regulation and maintain their funding base” (Crack 2013a, p. 813). Accountability was practiced using governance mechanisms such as monitoring and evaluation, which had been developed in the private sector, and have become prevalent in the public sector under the “new public management” approach. In the first wave of NGO accountability, governance reforms focused primarily on professional management, and transparency with respect to funding and expenditure, and upward-focused (Slim 2002) relationships that were prioritized with donors (Sloan 2009; Szper and Prakash 2011; AbouAssi 2012) and political/legal authorities (Cordery and Baskerville 2010; Phillips 2012).

(2) The second wave of accountability reforms addressed “accountability to mission”—in other words, the challenge of staying true to the guiding ethos of the organization. The second wave was a reaction to what critics term the “paradox of greater NGO accountability” (O’Dwyer and Unerman 2008, p. 1). According to this criticism, the strategic focus of NGO accountability on powerful “upward”-stakeholders often resulted in perverse consequences, particularly in terms of further marginalizing

²³ In October 2016 the INGO Accountability Charter changed its name to Accountable Now. As the current website and many other important documents still name the organization INGO Accountability Charter, we prefer the ‘old’ denomination.

the voices, needs, and desires of intended beneficiaries (cf. also Ebrahim 2005; Murtaza 2011; Schmitz et al. 2012; Hug and Jäger 2014). In an effort to find a remedy for this paradoxical situation, second-wave reforms conceived of

NGO accountability responsibilities as encompassing demands and needs of a larger downward-focused (Kilby 2006) stakeholder environment, including intended beneficiaries (cf. Saxton and Guo 2011; Schmitz et al. 2012; Chen 2012; Williams and Taylor 2013), NGO personnel, and members (Crack 2014), and horizontally focused, peer organizations (Murtaza 2011). In addition to complying with good governance (first-wave) accountability standards, the second-wave governance reforms promoted organizational procedures capable of safeguarding the organization's integrity and enabling it to fulfil its mission (Cavill and Sohail 2007, p. 234).

Examples include the introduction of consultation procedures with the target community and the membership, and the establishment of internal as well as external self-regulation mechanisms (Ebrahim 2003; Williams and Taylor 2013). Most importantly, strengthening accountability to second-wave stakeholders is particularly challenging for the advocacy function of NGOs, both in identifying relevant second-wave stakeholders and in measuring the effectiveness of a specific advocacy activity for the relevant stakeholder group (Brown and Moore 2001).

6.2.2 Rational-choice-based governance approaches to NGO accountability

This distinction between two waves of NGO accountability is helpful in elucidating the strengths and weaknesses of the two rational-choice-based governance approaches to NGO accountability, which clearly stand out from the literature as the most comprehensive and elaborated perspectives.

(1) Based on a principal–agent framework, Prakash and Gugerty (2010a, p. 7) develop an “agency dilemma” to analyze the incentive problems that occur among NGOs and financial stakeholders due to asymmetric information. Originally developed as a rational-choice approach to analyze and govern the owner–manager relations in modern for-profit firms characterized by a separation of ownership and control (Jensen and Meckling 1976; Prakash and Potoski 2007), Prakash and Gugerty (2010a, p. 4) transfer the underlying analytical perspective from corporations to service-delivery NGOs. In other words, Prakash and Gugerty (2010a) draw a direct analogy between the for-profit firm's financing problem and the nonprofit NGO's funding problem. Whereas the corporate governance literature discusses appropriate governance schemes to align the manager's interests with those of the shareholders, Prakash and Gugerty (2010a, p. 4) address incentive problems of NGOs and their managers to act in the interests of their donors: “[T]he principal-agent framework that we employ [...] focuses attention on the role of donors as principals and identifies appropriate governance mechanisms that are consistent with doing what the donor wants.”

Prakash and Gugerty's (2010a) club approach is presented as a natural extension of the underlying principal–agent framework. Within the relationship between the NGO (agent) and the donor (principal), agents need to give a signal of credibility that they will not exploit or otherwise misappropriate the principal's support. To encourage donor support, NGOs can send a signal of credibility either individually or collectively. A voluntary regulation club that provides standards for accountability, transparency, and good governance, including sanctions in case of misbehavior, is seen by Prakash and Gugerty as a way for NGOs to band together collectively to send strong and credible

signals to donors and governments, particularly if supplemented with strong sanctions for noncompliance. Though clubs are functional forms of self-regulation, it is important to keep in mind that Prakash and Gugerty's (2010a) clubs primarily aim at solving agency dilemmas in NGO financing and funding. In fact, it would be alien to a principal–agent framework with a focus on financial relationships to interpret any other actor than donors as principals. As a result, Prakash and Gugerty's (2010a) governance approach confines its stakeholder analysis to a particular subset of actors. Other stakeholders, in particular, intended beneficiaries and peer organizations, are emphatically not the subjects of their principal–agent concept. Yet both the literature and NGO malpractices are testimony to the urgent need to address not only the first-wave, but also the second-wave reforms, which pose equally important challenges to NGO accountability. Although Prakash and Gugerty (2010a, p. 8) underline the significance of these problems, they remain skeptical about current efforts to address these challenges effectively:

While there has been a great deal of rhetoric about making nonprofits more 'accountable' to their beneficiaries, this rhetoric is rarely matched by actual incentives or mechanisms through which beneficiaries can hold nonprofits to account. Thus, beneficiaries remain clients or customers of nonprofits rather than becoming principals. Principals and beneficiaries sit at the two different ends of the value chain (or the charity chain in our context).

(2) Cooley and Ron's (2002) political-economy approach focuses specifically on International Organizations (IO) and on INGOs in the sectors of humanitarian aid and refugee relief as well as economic and technical assistance. Their rational-choice analysis is illustrated in three countries' case studies (Kyrgyzstan, Tanzania, and Eastern Zaire as well as Bosnia), which highlight the competitive constraints faced by NGOs and IOs. Similar to Prakash and Gugerty (2010a), Cooley and Ron (2002) use the principal–agent framework to identify various principal–agent problems along a 'contracting chain' of donors (IOs), contractors (INGOs) and recipients (local partners), e.g., in the service delivery of development aid. Cooley and Ron (2002, p. 15) model this relationship "as a double set of 'principal–agent' problems wherein the donor is a 'principal' and contractors are 'agents.'" At the lower level of the hierarchy, the contractor functions as the principal and the aid recipient as the agent." Along this relationship, Cooley and Ron (2002) analyze dysfunctional incentives for agents in short-term-contracting triggered by asymmetric information. In contrast to Prakash and Gugerty (2010a), however, Cooley and Ron (2002, p. 7) highlight that NGOs operate in a competitive environment with several NGOs competing for funding and securing contracts. Even worse, this competition is becoming more and more intense due to a growing number of NGOs and the common practice among IOs to use short-term contracts for service delivery, whose compliance is then monitored by hard performance indicators. As competition increases uncertainty, it also threatens to diminish the quality of service delivery within the projects, a potentially poor result that Cooley and Ron (2002, p. 7) interpret as a 'multiple-principals problem':

Because alternative contractors threaten to appropriate projects, INGOs are under constant pressure to renew, extend, or win new contracts, regardless of the project's overall utility. Some INGO headquarters order their country offices to become financially self-sufficient, exacerbating the competitive dynamic. Securing new funding is an ever-expanding part of the INGO's function, pushing other concerns—such as ethics, project efficacy, or self-criticism—to the margins (Cooley and Ron 2002, p. 16).

For Cooley and Ron (2002, p. 17), this competitive environment creates dysfunctional incentives for NGOs to "seek to undermine competitors, conceal

information, and act unilaterally.” If this is correct, moral behavior may be compromised by financial efforts to secure funds and short-run organizational survival, which might be at the expense of the project’s performance. Yet, although even strong dysfunctional incentives leave room for deviation,²⁴ Cooley and Ron’s (2002, p. 30) case studies indicate that individual NGOs find it extremely difficult to threaten the organization’s survival for the sake of moral considerations. As a result, Cooley and Ron (2002, p. 37) claim that “[w]estern donors and IOs must design humanitarian market institutions with greater care” to mitigate the negative incentives caused by dysfunctional competition. To achieve this, the authors suggest replacing the practice of short-term contracting by introducing long-term contracts.

(3) In sum, Prakash and Gugerty’s (2010a) principal–agent framework enables a profound and sharp analysis of funding problems between donors and NGOs, including reasonable reform options. Cooley and Ron (2002) highlight that competition among NGOs is apt to aggravate the incentive problems inherent in principal–agent relations between NGOs and their donors, generating dysfunctional incentives and negative outcomes. This can lead to “mission deflection” or “mission creep” as coined by Minkoff and Powell (2006, p. 592). In addition to Minkoff and Powell’s (2006) focus on mission deflection as an organizational phenomenon—caused, e.g., by a strong dependence on a single donor—Cooley and Ron’s (2002) analysis of competitive pressures among NGOs provides good reasons for considering also the case of a collective form of mission deflection. Published more than 10 years ago, Cooley and Ron’s (2002) approach retains contemporary relevance because it addresses peer organizations as important NGO stakeholders. Both frameworks focus on the funding problem of service-delivery NGOs and their accountability relationships with their principals (donors). Yet, they turn a blind eye toward the challenges relevant in second-wave reforms of NGO accountability, in particular, those related to NGO advocacy.

The literature is rife with normative recommendations to address NGO accountability deficits to second-wave stakeholders (cf. also Ebrahim 2005, Murtaza 2011, Hug and Jäger 2014). Schmitz et al. (2012, p. 1175, *italics added*), for example, when considering the “decoupling of aspiration and practice,” recommend that NGOs “have to be willing to share more meaningful information about their work and outcomes with stakeholders. Practicing transparency that empowers beneficiaries is central to effective organizational learning and balancing demands from different stakeholders.” Yet, such normative claims appear rather feeble in light of their own assessment that, in fact, NGO leaders do display very high aspirations to fulfil the needs of their stakeholders. From our point of view, such claims *a fortiori* underline the unchanged need for a rational-choice analysis that assumes that NGOs (and their leaders) do not lack a strong will to be accountable to second-wave stakeholders, but rather lack proper incentives to do so in practice (Prakash and Gugerty 2010a).

Against this backdrop, we believe that NGO accountability can benefit from a conceptual perspective that addresses stakeholders such as personnel and members, intended beneficiaries and peer organizations with the same conceptual accuracy of a rational-choice approach as donors and funders. A comprehensive framework of NGO accountability requires an analysis of the institutional conditions of the whole panorama of NGO–stakeholder relations, including the competitive environment of NGOs,

²⁴ In particular, a strong moral disposition of faith-based NGOs might prompt a stronger resistance in the face of dysfunctional incentives. Other important considerations include the opportunity cost to cancel contracts and attract alternative sources of funding (Cooley and Ron 2002, p. 30).

covering service delivery and advocacy of NGOs. In an effort to do so, the following section presents ordonomics as a research program capable of providing such a framework.

6.3 The ordonomic rational-choice-approach to NGO accountability

“Ordonomics” represents a particular rational-choice perspective that has proven informative in the academic debates on corporate citizenship, new governance initiatives, and tri-sectoral partnerships, because it highlights how business firms can act as governance entrepreneurs by engaging in self-regulation to create mutual benefits (cf. Pies et al. 2014, 2010). The term ‘ordo’ refers both to the institutional and ideational orders that structure interactions among individuals (Pies 2009). Ordonomics is a research program interested in the interdependence between institutions and ideas, i.e., how mental models and other semantic thought categories shape the rule environment for interactions—the social structure—and vice versa. A particular focus of the ordonomic approach is to take seriously both the organizational and the larger interests of society, which allows developing reform options that create win–win solutions, and overcome conflicts, among the focal organization and its stakeholders using an “orthogonal position” (Pies 2009).

Here, we apply the ordonomic research program to analyze the self-regulation efforts of NGOs (cf. Valentinov et al. 2013, 2015), and we propose the idea of a win–win semantics that facilitates institutional or governance reforms related to NGO accountability. In particular, we show how ordonomics is useful in analyzing a broad spectrum of NGO behaviors and interactions, including the issues and stakeholders relevant in the “second-wave” reforms. We present the ordonomic approach of the institutional order of NGO accountability in three steps: first, we outline how a simple rational-choice theory can be applied to analyze NGO behavior, and how it can be useful to provide counter-intuitive explanations for NGO behavior as a nonintended consequence of individually rational behavior (in our subsection “Rational-Choice Theory: A Method for Analyzing Actor Behavior”). Second, we distinguish two paradigmatic types of social dilemma situations (in our subsection “Good Intentions, Bad Outcomes: From Moral Dilemmas to Social Dilemmas”). Based on this distinction, we show that the one-sided and many-sided social dilemmas require different types of governance reforms, namely individual and collective self-binding commitments (in our subsection “Infusing Order: Individual and Collective Self-Binding Commitments”).

6.3.1 Rational-choice theory: A method for analyzing actor behavior

Following Gary Becker’s (1992, p. 37) strategy to use the “economic approach” for an analysis of “social issues that range beyond those usually considered by economists,” rational-choice theory can be seen as an “imperialistic” method to analyze the general behavior of (human) actors. Gary Becker’s notion of rationality views actors to “maximize welfare as they conceive it, whether they be selfish, altruistic, loyal, spiteful, or masochistic” (ibid.; italics in original). This idea of rationality assumes little more than actors making prudent choices in the sense that they choose those courses of action among a variety of options (means) which they expect to fulfill their objectives (ends) best. Most importantly, however, this assumption is a methodological decision (the famous “as if”-assumption) and not an ontological statement about the nature of human

beings or about their ‘real’ thought processes, let alone a normative statement about the desirability of particular ends actors wish to achieve. This methodological openness allows rational-choice theory to be applied to a wide range of social phenomena, far beyond the narrow field of economic exchange.

Imperialistic rational-choice approaches are very careful in ascribing the different action parameters to the two categories of means and ends. When applied to NGOs as organizational actors, a rational-choice approach explicitly acknowledges that NGOs cultivate a self-conception as norm-driven actors and, thus, interpret the mission of NGOs as their final goal (end). To achieve this end, NGOs use financial and human resources, e.g., by generating member support, attracting donations and gaining public attention (means), to engage in strategies such as service delivery or cause-based campaigning or advocacy (intermediate ends). This understanding echoes Prakash and Gugerty’s (2010b, p. 1) assumption that “NGOs as collective actors ...seek to fulfill both normative concerns and instrumental incentives.”

6.3.2 Good intentions, bad outcomes: From moral dilemmas to social dilemmas

The rational-choice approach has often been criticized for its tautological nature, even among prominent economists. Amartya Sen (1977, p. 325), e.g., criticizes that rational behavior “is to be ‘explained in terms of preferences, which are in turn defined only by behavior.’ Not surprisingly, excursions into circularities have been frequent.” In contrast to Sen (1977), we concur with Gary Becker’s idea that a case-oriented application of this tautology demonstrates its explanatory power in providing counter-intuitive insights (Becker 1992). In fact, the rational-choice approach that follows Becker’s methodology can be called “abductive,” an approach which is “neither purely inductive or deductive,” because it constantly searches for “the most plausible and coherent set of explanations consistent with the available data” (Heckman 2015, pp. 3–4).²⁵

Thus, instead of falling into the trap of attributing the adverse aspects of NGO behavior to their (suspected) bad intentions, morally controversial preferences or to pure chance, the rational-choice approach provides a heuristic to explain how reported and stated intentional behaviors can lead to empirically observable, nonintended consequences. Take the example of NGOs that played a tragic role after the infamous genocide in Rwanda 1994. Having been trapped in a moral dilemma, NGOs provided humanitarian aid to “members of the Hutu and perpetrators of the genocide” in refugee camps in the Democratic Republic of Congo, thereby extending the armed conflict. In the aftermath of the crisis, NGOs themselves feared that their “well-intentioned actions led to the prolongation of the conflict and the suffering of refugees in the camps” (Deloffre 2010, p. 186). Instead of (only) paying lip service to their moral duties, the concerned NGOs responded with an effort to reform the incentives under which they severely suffered: they increasingly engaged in collective accountability clubs and began replacing a “truck and chuck” approach for a more holistic root-focused approach (Deloffre 2010, p. 187), which constituted a fundamental conceptual shift in humanitarian aid.

Sure, this is an extreme example, and it is not a perfect analogy to the kind of moral misconduct of NGO we described earlier. Yet, it well illustrates the structural need for

²⁵ For Heckman (2015, pp. 3–4), Gary S. “Becker abducted economics,” specifying that in “many of his efforts to understand economic phenomena, he brought creative insights in response to initial mismatches between models and data.”

a heuristic approach capable of explaining the sometimes fatal consequences of “well-intentioned actions” and developing reform options that avoid the tragic choices in moral dilemmas. Instead of giving ethically well-informed advice of how to best position within a moral dilemma, the ordonomic approach systematically translates moral dilemmas into social dilemma situations. Social dilemmas are a specific heuristic ‘lens’ to analyze and explain how intentional behavior can lead to non-intended consequences. A social dilemma is a situation of collective self-damage “in which rational actors fail to realize their common interests due to conflicting individual interests” (Beckmann et al. 2014, p. 26). Yet the social dilemma ‘lens’ is not only a specific analytical perspective. Social dilemma situations can also be viewed from an empirical perspective as a “signum of modern societies,” and observers propose different explanations for their relative occurrence: Valentinov and Chatalova (2014; 2016) invoke Luhmann’s (1977) functional differentiation of modern societies in autopoietic systems to argue that social dilemmas are emergent due to the “systems’ disregard of their environment,” while Hielscher and Pies (2016) refer to North et al. (2009) to argue that social dilemmas result from the overwhelming significance of competition in modern society, especially in the economy, in politics, and in civil society.

The ordonomic rational-choice approach differentiates between two archetypical forms of social dilemma situations in which the involved actors miss the opportunity to realize a win-win potential of cooperation: A one-sided social dilemma is an interaction problem characterized by the possibility of asymmetric exploitation between two actors (Kreps 1990). Actor A can exploit actor B, but not vice versa. If B anticipates the exploitation upon his cooperation, he is “unlikely to cooperate, even though successful cooperation would be mutually advantageous” (Beckmann et al. 2014, p. 26). This situation leaves both actors worse off. Prakash and Gugerty’s (2010a) “agency dilemma” of funding is a specific sub-form of a one-sided social dilemma, in which donors hold back their intended funding because they fear their support will be exploited by NGOs.

A many-sided social dilemma is a symmetric situation in which cooperation fails due to the reciprocal opportunity for mutual exploitation (Bowles 2004, pp. 23–55). A famous example of such a situation was described by Hardin (1968) as the “tragedy of the commons,” in which all actors can mutually exploit each other. This scenario represents a situation of collective self-damage because each actor behaves exactly the way she fears from others (Beckmann et al. 2014, p. 26). The many-sided social dilemma is particularly useful for analyzing the incentive structure of “collective action problems” which arise among competing NGOs (Prakash and Gugerty 2010a, p. 1). In a many-sided social dilemma, the pursuit of moral ends can be contested if immoral behavior is presumed to ensure a competitive advantage over other NGOs. For example, a race-to-the-bottom competition for public awareness can tempt NGOs to incrementally reduce quality standards in their promotional campaigns, favoring sensationalism over sober representation of the issues. This undermines the reputation of the NGO as a trustworthy actor, and it can also endanger the credibility of the whole NGO sector if negative reputation effects “spill over” to other NGOs (Will and Pies 2016). In a similar way, competition among NGOs for funding can promote the adoption of management instruments imported from the private sector that shall secure a financial accountability to donors and commissioning agents. Yet, a perceived economization of NGOs or an extreme managerialism might also threaten the identity of NGOs that view and describe themselves as moral actors (Dichter 1999). Such effects join the ranks of unintended consequences of intentional behavior of NGOs.

6.3.3 Infusing order: Individual and collective self-binding commitments

Building on Williamson's (1985; 2009, p. 456) understanding of governance as a "means by which to infuse order, thereby to mitigate conflict and realize mutual gain" it is possible to argue that overcoming the collective self-damage inherent in social dilemmas situations requires appropriate governance mechanisms in the form of self-binding commitments.²⁶

In a one-sided social dilemma, the potential exploiter A can bind herself with an individual commitment. If this commitment lends credibility to A's promise not to exploit actor B, B will be more willing to cooperate, and both sides can reap the win-win rewards of their cooperation. In contrast, overcoming a many-sided social dilemma requires a collective commitment—an individual self-commitment is insufficient. If just one actor engaged in unconditional cooperation, the others would still have an incentive, perhaps even a stronger one, to exploit this cooperative behavior. A way to avoid this collective self-damage is through a credible collective self-commitment that changes the incentives for all actors and induces them to simultaneously change their strategies (Beckmann et al. 2014, p. 26). Following our rational-choice-based governance approach, the term 'commitment' refers to influencing an actor's behavior by changing incentives. This term is not synonymous with the term 'accountability mechanism' which, according to Slim (2002), means delivering information and responsiveness to NGO stakeholders. The relationship between both terms resembles the relationship between methodology and content: A formal accountability mechanism can prescribe NGOs to disclose information or to respond to complaints, such as the INGO Charter's (2016a, b) "Complaints Handling Mechanism." From a governance perspective, this accountability mechanism can also feature a commitment logic insofar as it helps a focal NGO to individually bind itself to the promise not to exploit a single stakeholder's prior investment.

6.4 Identifying one-sided and many-sided social dilemmas in NGO accountability practice

The existing literature on NGO accountability faces difficulties addressing the second-wave accountability challenges—i.e., the problems related to accountability to mission—, because it provides little guidance for how to conceptually capture the relationships between NGOs and second-wave stakeholders, such as intended beneficiaries and peer organizations. If these challenges are not adequately addressed, there is every reason to fear the erosion of the whole NGO sector's credibility and "moral capital" (Crack 2013a, p. 812), with potentially devastating effects on NGO agenda-setting and problem-solving capacities. In this section, we apply the ordonomic approach to the different NGO-stakeholder relations and analyze them as interaction problems, i.e., (1) as a one-sided stakeholder dilemma and (2) as a many-sided competition dilemma. After that, we propose (3) a typology of governance mechanisms for NGO accountability based on the two-waves framework that demonstrates how one-sided stakeholder dilemmas overlap with many-sided competition dilemmas. In discussing various social dilemma situations, we primarily provide examples of advocacy NGOs.

²⁶ From a systems theory perspective, Valentinov and Chatalova (2016, p. 6) argue that overcoming social dilemma situations in general calls for a "weakening of incentives." For an institutional economic perspective on how to establish a differentiated management of social dilemmas in modern society, cf. Hielscher and Pies (2016).

Yet, the same logic of distinguishing one-sided and many-sided social dilemmas in NGO accountability can also be applied to service-delivery NGOs.

(1) One-sided social dilemmas: the first interaction problem can be interpreted as a vertical relationship between an NGO and its stakeholders such as donors, government bodies, NGO staff, or intended beneficiaries. Donors provide valuable funds and demand transparency about their expenditure and evidence of performance; government bodies grant tax-exemption privileges to NGOs but impose restrictions on political activities in return; personnel and members put their personal integrity at risk and demand delivery of mission; and, certainly with limits, intended beneficiaries confer status to NGOs as authentic advocates of their interests, and to some extent, legitimize NGOs' activities through their cooperation (Crack 2013a, p. 813 et seq.). Following Pies et al.'s (2009, p. 383 et seq.) game-theoretic rational-choice framework, the interaction between NGOs and their stakeholders can be analyzed as a one-sided prisoners' dilemma (Kreps 1990), which is characterized by the possibility of asymmetric exploitation.²⁷ In contrast to Prakash and Gugerty's (2010a) "agency dilemma," we refer to this dilemma as a stakeholder dilemma to leave the door open also for stakeholders other than donors and funders (Figure 6-1a): The stakeholders—donors, the government, personnel, members, or intended beneficiaries—can choose between the strategy to "support" and "not support" the NGO. The NGO can choose between being "accountable" and "not being accountable," i.e., the NGO can decide whether to exploit or not to exploit the support provided by the stakeholder.²⁸ The ordinal pay-offs indicate the result of each player's individual cost-benefit analysis, with high numbers representing a high net benefit (comprising both monetary and nonmonetary terms).

Assuming rational actors, this game can be solved by backward induction. If the stakeholder provides specific support, the NGO has an incentive to exploit it ($2 > 1$). Yet anticipating the NGO being unaccountable, the stakeholder will decide not to support the NGO ($0 > -1$). This game leads to the equilibrium result (0,0), which is suboptimal for both players. Both could profit if the stakeholder provided support and if the NGO did not exploit this support, which would result in a Pareto-superior strategy combination (1,1). The actual outcome of this game is collectively self-damaging because both players would prefer (1,1) over (0,0). This model illustrates the importance for NGOs to avoid being trapped in dysfunctional incentive structures that might undermine the success and even the existence of their organization.

²⁷ We reconstruct the prisoners' dilemma as a 'one-shot-game,' which is a special case and indeed very reductive. In fact, game theorists can show that the tendency to cooperate is much higher if games are played repetitively (Binmore 2011, Chap. 11). Yet, analyzing the situational logic of the underlying game helps describe the basic interaction problem and sheds light on the 'rules of the game' necessary to overcome the problem. Thus, our use of game theory serves to illustrate Buchanan's (1987, 1990) constitutionalist distinction between 'choices among rules' and 'choices within rules.' In a social dilemma, 'choices within rules' lead to an inefficient outcome. Improving this outcome requires a 'choice among rules,' i.e. a shift from game (a) to game (b) in Fig. 1.

²⁸ For explanatory purposes, we use archetypical and, indeed, simplified strategy options for both players. We try to keep the game as simple and abstract as possible to emphasize its broad applicability. Of course, depending on the situation, it is possible to design a game tailored more closely to empirical situations, including more specific strategies. For example, instead of a binary strategy choice of being "accountable" or "not being accountable," a game could be reconstructed in which the NGO, e.g., Amnesty International, can choose among two action plans: one of which features "greater long-term accountability" and the other "lower long-term accountability" to intended beneficiaries. With the ordinal pay-offs unchanged, given that the first action plan faces higher investments than the latter, our simplified version of the rational-choice analysis can thus easily incorporate the time dimension as well.

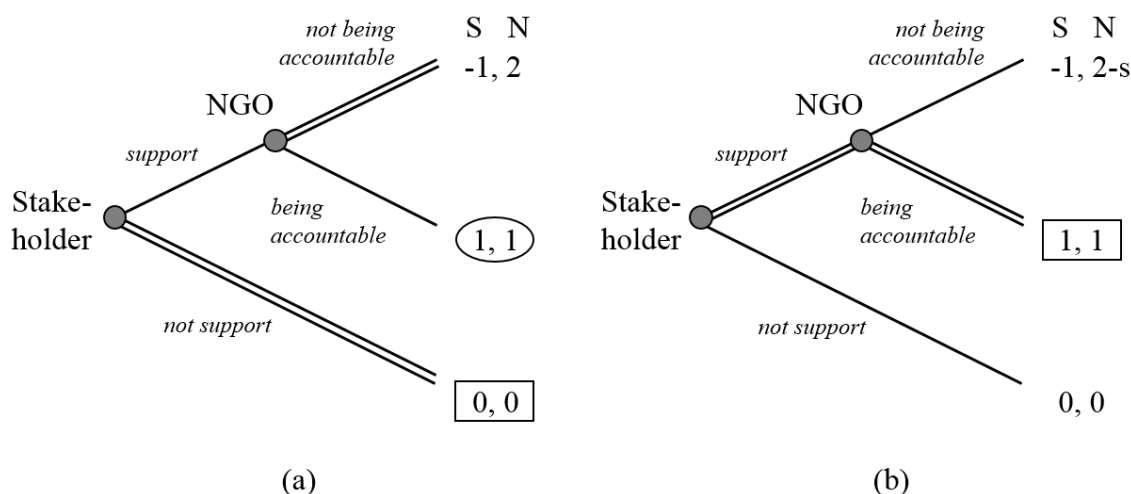


Figure 6-1. The stakeholder dilemma

Figure 6-1b assumes that the NGO employs a governance mechanism in form of a sanction “s” that is strong enough to support a credible commitment. The promise Stakeholder not to exploit the stakeholder’s investment thus becomes trustworthy. The sanction is strong enough only if the strategy “not being accountable” loses its potential attractiveness, i.e., if the condition holds that $2 - s < 1$. As a consequence, the NGO will lose its interest in exploiting its stakeholder. Anticipating this change of incentives for the NGO, the stakeholder will go ahead with the investment. The new equilibrium (1,1) is Pareto-superior. Here, an individual self-binding commitment of the NGO is a win–win strategy. It benefits both players.

The literature on non-profit management and public administration documents various forms of individual self-regulation aiming at governance reforms to solve stakeholder dilemmas. With regard to first-wave stakeholders such as donors and governments, Ebrahim (2003) gives account of NGOs introducing self-commitments such as the production of regular reports to donors on the expenditure of funds and project evaluations, and compliance with official procedures in order to conform to the requirements of legal accountability. Both individual self-commitments are intended to help NGOs choose the strategy “being accountable” which in turn shall ensure the support of their stakeholders, be it institutional donors or state authorities (Table 6-1). In both cases, the promises seem to be credible in practice, because the related sanctions—represented by “s” in Figure 6-1b—are observed to be strong, ranging from a complete withdrawal of funds to the imposition of fines or the denial of a registered status as tax privileged NGOs (Crack 2013a).

The second-wave governance mechanisms, especially their potential to effectively sanction NGOs misbehavior, prove much less effective (Prakash and Gugerty 2010a, p. 8). A small number of NGOs introduced institutionalized democratic procedures and organizational bodies, including annual general meetings (AGMs) and board elections, in order to foster accountability to their members (e.g., Amnesty International, or AI). Other NGOs have attempted to formalize links with their intended beneficiaries by inviting representatives onto Advisory Boards (e.g., Save the Children). From the governance perspective of ordonomics (Pies et al. 2009, p. 389), these mechanisms can be interpreted as functional self-binding commitments and, thus, as a contribution to

overcome a stakeholder dilemma, with NGOs attempting to fulfill their mission in accordance with the expectations of members, personnel, and intended beneficiaries. It is important to note that these self-binding commitments are effective both for the service delivery and the advocacy function of NGOs in their relation to second-wave stakeholders.

Against this backdrop, waiving the funding sources of specific donors can be interpreted as an individual self-commitment of NGOs to prioritize their responsibilities to second-wave accountability stakeholders. As an example, Amnesty International (2015a) states: “To ensure our independence, we do not seek or accept money from governments or political parties for our work in documenting and campaigning against human rights abuses. In no way do monies received from corporate donors influence or affect our ability to campaign.” Although directly addressed, it may be inaccurate to interpret this statement as a commitment of AI toward governments and corporate donors. In contrast, our framework suggests viewing this promise as a self-commitment of Amnesty International (named “NGO” in Figure 6-1) to be accountable to their members and their personnel (named “Stakeholder” in Figure 6-1). By publicly announcing to fore swear cooptation or capture by governments and corporations, AI promises to maintain and promote organizational integrity in fulfilling its mission (Minkoff and Powell 2006, p. 595), which is an important precondition for the support and the collaboration of both members and personnel. This is a credible promise because members and personnel can easily observe the high costs of AI foregoing rich sources of external funding (sanction “s” in Figure 6-1b). Viewed from the ordonomic perspective, this example also illustrates and explains that NGOs promote accountability not only for monetary reasons, e.g., for maintaining membership fees, but also for nonmonetary purposes, i.e., for sustaining member support, organizational reputation, as well as fulfilling AI’s mission in general. As AI has never accepted funding from governments for its campaigning work since its foundation, this historical example also underlines that the two-waves framework is to be understood as an illustration for overall trends in NGO accountability, not as an analytical explanation for every single case (Crack 2013a).

Recent developments in implementing the so-called Complaints Handling Mechanisms (CHM) of the INGO Accountability Charter (2016a, b) provide more examples of individual self-commitment of NGOs. Directed primarily at NGO members and voluntary staff, CHMs are an effective tool to safeguard the support of second-wave stakeholder groups. Following the logic of self-constraint to secure mutual gains of future cooperation, the focal NGO (named “NGO” in Figure 6-1) that adopts a CHM promises to give all stakeholders (named “Stakeholder” in Figure 6-1) the opportunity to raise complaints related to perceived (moral) misconduct and to respond appropriately to all these complaints. As the promise to ‘respond to all complaints’ is easy to monitor and, thus, also to sanction for the affected stakeholders, the strategic option to ignore stakeholder complaints (i.e., ‘not being accountable’) becomes less attractive for the focal NGO. Although the CHM appears cost intensive in nature from a resource-based view, the CHM’s advantage is to foster the individual NGO’s reputation, thereby safeguarding the support of the current members and gaining potential new members, because the CHM supports organizational learning processes to strengthen the NGO’s stated mission. In sum, the CHM creates a win-win situation: it ‘pays off’ both for the organization and for members and voluntary staff.

Yet, as in the case of the intended beneficiaries, governance mechanisms such as CHMs, social audits or community participation perform a much weaker effect of

sanctioning perceived NGO misbehavior (Ebrahim et al. 2014). Though being a useful channel for direct feedback of intended beneficiaries, ad hoc participation remains only a vague instrument for intended beneficiaries to effectively influence NGO accountability. They do not compare to the influence of consumers who can signal their disapproval with corporate decisions by changing their spending habits, or to the power that voters have to hold political actors to account via the ballot box (Ronalds 2012, p. 181). No doubt, these second-wave governance mechanisms provide much weaker incentives than those applied in NGO-donor relations.

While our conceptual approach provides a framework to capture and clarify these governance mechanisms as a contribution to solve different stakeholder dilemmas, it faces similar limitations as Prakash and Gugerty's (2010a) agency dilemma. One reason for the decoupling of rhetoric and actual practice in NGO accountability (Schmitz et al. 2012) to intended beneficiaries is the (sometimes) weak potential of these stakeholders to effectively sanction irresponsible NGO behavior. This also seems to be one of Prakash and Gugerty's (2010a, pp. 6–7) main concerns with amplifying the principal–agent approach to a wider range of stakeholders. In many cases, dissatisfied intended beneficiaries can stand up and declare publicly that a certain organization did not adequately represent their interests. This can adversely affect perceptions of the integrity of the organization. However, other intended beneficiaries, especially in developing countries, face much stronger difficulties to get heard by a wide audience and to build up a substantial sanction potential. For those stakeholders, “nonprofits are often the monopoly providers of essential products and services” (Prakash and Gugerty 2010a, p. 5). Even more serious is the situation with primary constituencies such as ‘future generations’ or ‘endangered species.’ Since they cannot safeguard their interests themselves, these interests need to be vicariously represented by NGOs if they are to count in contemporary processes of rule governance. However, it should not be ignored that in this extreme case the represented groups cannot protest against NGO misrepresentation of their interests.

(2) Many-sided social dilemmas: In many cases, staying true to mission, which is the specific focus of the second-wave accountability reforms, can assume the characteristics of a public good in an economic sense (Samuelson 1954). If staying true to mission both in service delivery and in advocacy will not be effectively remunerated by any particular stakeholder group (or will not be effectively supported by stakeholder sanctions), NGOs may be tempted to occasionally give way to other, more ‘private,’ considerations, including financial incentives and donor interests. In fact, the mission drift or mission deflection so much bemoaned in second-wave accountability reforms can be seen as a type of free-riding that prevents the public good “mission fulfillment” to be effectively provided.

A typical situation in service delivery is when multiple NGOs are bidding for a contract with a commissioning agent. NGOs willing to be commissioned may be tempted by competition to decrease the quality of service delivery, thus losing sight of their mission, but maintaining the agreed amount of funds. In this case, however, the NGO's interests of staying true to its mission is directly supported by the strong interest of commissioning agents to increase the quality of service delivery and to write contracts that provide effective, sanction-based solutions (Cooley and Ron 2002). In comparison, staying true to mission is much harder to achieve for NGOs in their advocacy work. In this case, ‘weak’ stakeholders can lack the capability of supporting NGOs in fulfilling their mission. Then, NGOs may be tempted to campaign for funding with arguments and

images that eventually gain public attention but paint a misleading or even distorted picture of the situation of intended beneficiaries (Manzo 2008).

A potential candidate for providing sanctioning and, thus, the public good of mission fulfilment, is the general public as the primary addressee of most NGO advocacy. However, the general public consists of individual citizens who cannot be expected to solve the free-riding problem of NGOs because they may remain “rationally ignorant” about these issues. That means, it can be very costly to inform oneself about complex societal topics and to participate in public discourse (in terms of time and other resources). If those costs are considered prohibitively high in comparison with possible benefits, the individual citizen will remain rationally ignorant against monitoring NGO service delivery and advocacy work and, thus, will not provide effective governance assistance via sanctioning (Pincione and Tesón 2006, p. 15).

Following Pies et al.’s (2009, p. 383 et seq.) game-theoretic rational-choice framework, the interaction problem of establishing and maintaining a reputation of staying ‘true to mission’ can be analyzed both as an individual and as a collective problem. The individual dimension involves reputational mechanisms in the stakeholder dilemma as described above. The collective dimension addresses issues of collective reputation of the NGO sector as a whole, thus capturing cases when the misconduct of one NGO spills over to others and creates a negative reputation for noninvolved NGOs. This collective case can be analyzed as a many-sided social dilemma between multiple NGOs (or the whole NGO sector), which is characterized by the possibility of symmetric exploitation among members of this sector. We refer to this horizontal interaction problem as the competition dilemma among NGOs that can occur in different settings, both in service delivery and advocacy. In NGO advocacy, staying true to mission translates into responsible campaigning in light of typically rationally ignorant citizens and a media bias that favors strident communication strategies (Swinnen 2011; Swinnen et al. 2011). Of course, ‘responsible campaigning’ is not (yet) a clearly defined concept. Indicating a similar challenge, Lang (2013, pp. 117–118) uses the concept of public accountability (cf. Will and Pies 2016) that entails transparency, debate, engagement, and activation. In a similar fashion, Brown et al. (2012) highlight that international advocacy NGOs addressing complex issues on multiple levels need to launch long-term campaigns to change policies that require “extensive planning, high-quality research, dedicated human resources [and] multi-year funding” (Brown et al. 2012, p. 1105). In practice, some leading INGOs have defined ‘responsible advocacy’ to include ‘accuracy of information’ as a relevant standard (INGO Charter 2016). On a national level, the Irish Association of Non-Governmental Development Organizations has implemented a sectoral voluntary Code of Conduct on Images and Messages that aims to “[a]void images and messages that potentially stereotype, sensationalize or discriminate against people, situations or places” (DOCHAS 2016).

Figure 6-2a serves to illustrate the underlying logic of the competition dilemma with the well-known case of the two-sided prisoners’ dilemma (Pies et al. 2009), applied to the specific case of responsible campaigning. Two NGOs (NGO 1 and NGO 2) each have the option to engage in a populist or “irresponsible campaign” or to refrain from doing so and to lead a “responsible campaign” instead. Assume that a single NGO’s campaign helps mobilize the scarce resource of public attention (and, thus, provides access to additional funding) by exaggerating or misrepresenting the needs of its distant beneficiaries or by otherwise feeding “the spurious and mistaken beliefs” (Pincione and Tesón 2006, p. 4) of the general public. In contrast, assume that a responsible campaign would largely rely on “truth-sensitive” arguments (Pincione and Tesón 2006, p. 17) that

display the best available evidence in academic discourse (or on a nuanced and balanced position that incorporates the wide panorama of available arguments) to promote the NGO's mission.²⁹

Campaigning: ...?

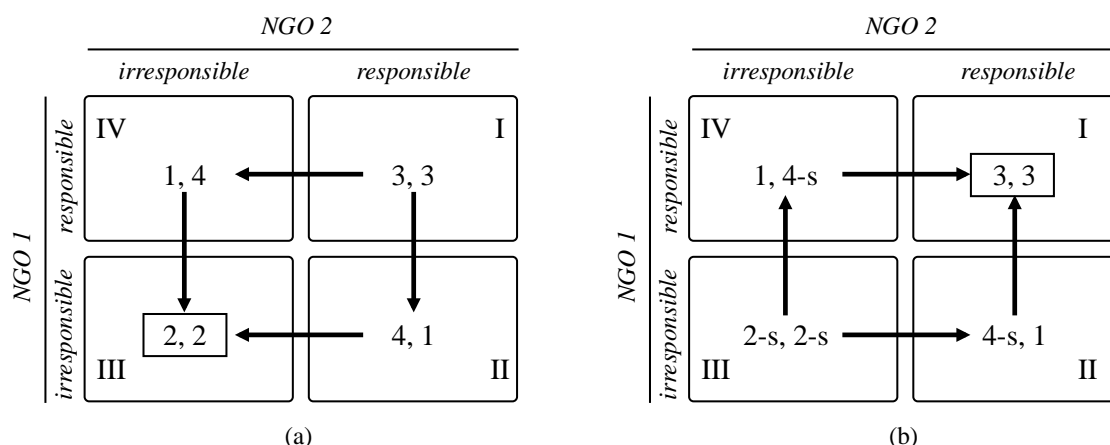


Figure 6-2. The NGO competition dilemma

The ordinal payoffs indicate how the strategy combinations are valued by each NGO individually. The number before the comma applies to NGO 1, the number after the comma to NGO 2 (Figure 6-2a). Assuming rational NGOs, this game can easily be solved: if NGO 2 leads a populist campaign, it is beneficial for NGO 1 to do the same because, otherwise, it would gain less or even no public attention, with adverse effects for its mission (and its prospects for funding). A comparison between Boxes III and IV shows $2 > 1$. However, if NGO 2 invests in responsible campaigns, NGO 1 is again better off refusing responsible conduct, because populist campaigns yield a comparative advantage in public attention over NGO 2—a comparison between Boxes I and II shows $3 < 4$. As the same logic holds for NGO 2, it becomes obvious that under these circumstances both NGOs find themselves under strong pressure to lead irresponsible campaigns. Yet the strategy combination that results in Box III (Nash equilibrium) is Pareto-inferior compared to Box I. Both NGOs are trapped in a situation of collective self-damage: leading irresponsible campaigns undermines the collective credibility and integrity—the “moral capital” (Crack 2013a, p. 813) or the “reputation” (Prakash and Gugerty 2010a, pp. 6–7)—of NGOs as a group in their efforts to advocate the interests of marginalized people and issues. In addition, it is important to note that NGOs do not intend to achieve this equilibrium. Quite the contrary! This undesired equilibrium emerges as a non-intended consequence of intentional behavior. It is a systemic result.

A specific example of the NGO competition dilemma is what service delivery NGOs report on as defamation by peer organizations (Priller et al. 2012) or turf battles (Romzek et al. 2012): What is intended as a prudent strategy to secure contractual relationships and funding turns out to be a substantive threat to the collective reputation of NGOs and their future capacity to collaborate in non-competitive issues. In the end, it's the intended beneficiaries who foot the bill.

²⁹ When applied to fulfilling their mission in service delivery, the strategies of NGOs can be reconstructed as “mission-supporting service delivery” and “mission-undermining service delivery.”

It is important to bear in mind that in a many-sided dilemma, an individual self-commitment can never solve the problem of collective self-damage. Starting from the status quo in Box III, a unilateral change of strategy by NGO 1 would lead to NGO 1's worst outcome: the payoff would decline from 2 to 1 (Box IV). Mutual betterment is only possible by shifting from Box III to Box I, which requires a collective self-commitment of both NGOs to simultaneously change strategies (Figure 6-2b). A sanction, s , to punish populist campaigns will be effective if it is severe enough to make sure that $4 - s < 3$ and that $2 - s < 1$. Thus, only a collective commitment device that simultaneously binds all actors involved can overcome the symmetric logic of the "NGO competition dilemma."

In principle, the competition dilemma can be solved either by NGO self-regulation initiatives or by state regulation using the enforcement power of nation-state governance (Gugerty 2010, p. 1089). Yet, the governance literature remains skeptical about governments to provide the effective and nonpartisan enforcement necessary to produce the collective good of regulation, e.g., in financial regulation. The literature reports on state ineffectiveness in regulation on a global level (Irvin 2005) and on the national level (i.e., the case of New Zealand, cf. Cordery 2013, p. 848) as well as on the problem of state cooptation (e.g., in the case of Russia, cf. Burger 2012, p. 87; Ljubownikow et al. 2013). As a consequence, the governance literature on nonprofit management embraces NGO self-regulation as a favorable solution, although it is only starting to analyze such collective action within the club-goods framework (Prakash and Gugerty 2010a). In an effort to contribute to understanding the different institutional forms of NGO self-regulation, Gugerty (2010, Table 6-1, p. 1091) differentiates between "national systems (i.e., classical collective good as substitute to state regulation), voluntary standard clubs (i.e., collective club goods) and voluntary codes of conduct."

(3) The conceptual distinction between a one-sided and a social dilemma adds an important aspect to the governance literature on NGO accountability. Table 6-1 is a modification of Crack's (2013a) overview to describe the two waves of NGO accountability, with the first-wave accountability addressing donors and political authorities and second-wave reforms covering personnel, members, intended beneficiaries, and peer organizations. In the real world, NGOs are embedded in a complex net of stakeholder relationships with specific and partly contradicting demands, which indicates that the stakeholder and the competition dilemmas are not mutually exclusive but overlapping interaction problems.

As a general rule of thumb, Table 6-1 indicates that the one-sided social dilemmas are more prevalent in the first-wave stakeholder relations and the many-sided dilemmas are much more probable in relation to the second-wave stakeholders. In addition, when moving from left to right in Table 6-1, one-sided dilemma situations face a gradually decreasing sanction potential by second-wave stakeholders. This means that the increasing role of competitive pressure puts constraints on single NGOs to increase accountability by single individual efforts. To the extent that the "paradox of greater NGO accountability" (O'Dwyer and Unerman 2008, p. 1) is caused by competitive pressures to raise funds, and raising funds depends on media coverage and public awareness, it is unlikely that the underlying many-sided social dilemma will be solved on the organizational level of the individual NGO. This suggests that addressing governance reforms in NGO accountability relations to second-wave stakeholders (right side of Table 6-1) needs to rely much more on collective commitments than governance reforms in NGO accountability relations to first-wave stakeholders (left side of Table 6-1).

Table 6-1. The Two Waves of NGO Accountability related to two Forms of Social Dilemmas (modified after Crack 2013a)

	First Wave:		Second Wave:		
	Accountability of Good Governance		Accountability to Mission		
Form of Accountability	Fiscal	Legal	Dialogic (intern)	Dialogic (extern)	Peer
Accountability Holder	Donors	Political Authority	Personnel, Members	Intended Beneficiaries	NGO Peers
Example of Governance Mechanism	Annual report	UK Charity Commission	Policy consultations, AGMs, Board elections, CHM	Social audit, Actions Aid ALPS	INGO Accountability Charter, HAP
Main Sanction	Withdrawal of funds	Loss/Denial of registered status	Demoralized staff/volunteers, Cancellation of membership	Withdrawal of cooperation of beneficiaries, damaged reputation	Peer disapproval, loss of membership status
Level of Institutionalization	Strong	Strong	Weak	Weak	Weak
Form of Social Dilemma	Primarily one-sided Social Dilemma	Primarily One-Sided Social Dilemma	Primarily Many-Sided Social Dilemma	Primarily Man-Sided Social Dilemma	Many-Sided Social Dilemma

An interesting example of how self-regulation initiatives can help shape a whole panorama of diverse accountability relationships is the INGO Accountability Charter (INGO Charter 2016a, b). NGOs have established a wide range of organizational accountability mechanisms such as disclosure and reporting procedures that help overcome (one-sided) stakeholder dilemmas in various manifestations. From an ordonomic perspective, the INGO Charter is an attempt of large and influential international NGOs to improve their individual measures in all stakeholder relations, including the first and the second waves, by sectoral accountability standards, monitored by the INGO Charter's verification procedures.

The first wave: In relation to financial stakeholders (donors), NGOs may be tempted to use "exploitation" strategies by decreasing, e.g., the quality of delivering services ex post of the contract, and using the spared resources to subsidize other activities (Cooley and Ron 2002). When raising funds from private donors, NGOs may be inclined to hide their actual agenda and trick potential donors about how they intend to use donations (Prakash and Gugerty 2010a). NGOs might also pretend to meet legal requirements to obtain advantages such as tax reductions without bearing the costs for legal compliance. In practice, financial and legal stakeholders possess a high sanctioning potential; they can (easily) withdraw funds or deny the NGO's legal status as a charity. This uneven distribution of power has prompted scholars to coin these relationships as "upward accountability" (Slim 2002), which means that exploitation strategies are only attractive in some rare cases of extremely asymmetric information. Individual commitments to provide reliable information in voluntary reporting and meeting legal requirements makes exploitation strategies even less attractive. The INGO Charter further supports these individual commitments of NGOs with an external review procedure, including to what the INGO Charter (2016a) itself refers to as "independent reviews" that help NGOs in more effectively signaling their credibility to financial and legal stakeholders (Prakash and Gugerty 2010a).

The second wave: To a certain extent, the empirical success of upward accountability reforms in the first wave is reflected in complaints of both practitioners and scholars that NGOs have lost sight of less powerful stakeholders in "downward accountability," giving rise to the so-called accountability paradox (O'Dwyer and Unermann 2008). In ordonomic terms, NGO leadership might be tempted to use "concealing" strategies ("exploitation" in Figure 6-1) to hide serious mistakes and misconduct in an effort to sustain member support and to acquire and retain a qualified and motivated staff ("support" in Figure 6-1). In a similar way, NGOs may be inclined to set aside the interests of intended beneficiaries ("exploitation" in Figure 6-1) to gain public support for funding campaigns (Slim 2002, p. 6). Such NGO strategies can easily backfire if scandals bring misbehavior or misrepresentation to light and lead to a decline of member and public support. Implementing downward accountability mechanisms such as organizational CHMs or stakeholder dialogues can increase the credibility of individual self-binding commitments leading NGOs to refrain from concealing and misrepresentation strategies. In sum, downward accountability mechanisms can help to save future member support, cooperation with intended beneficiaries and organizational reputation.

Recently, there is a growing awareness of downward accountability within NGOs, which, according to Schmitz et al. (2012, p. 1188) can be seen as an important "normative shift." In practice, however, NGOs still struggle to be accountable to second-wave stakeholders. To address these challenges, the INGO Charter binds member NGOs to introduce organizational CHMs which are monitored by an external review process.

For example, Greenpeace International implemented CHMs in almost half of their national chapters and received over 8500 supporter complaints in 2014, *inter alia* in relation to advocacy positions (approx. 1000), fundraising methods (approx. 1500), and breaching core values (approx. 4000) (Greenpeace Accountability Report 2014). In addition to the organizational CHM, the INGO Charter installed a sectoral CHM that allows complaints to be addressed directly to the Charter if supporters believe that their complaints have not been adequately addressed and responded to by the individual NGO's CHM. From an ordonomic perspective, the INGO Charter's CHMs can thus not only be seen as a service for an individual NGO to improve the credibility of their individual self-binding commitments toward financial stakeholders (the first wave), but also toward members and intended beneficiaries (the second wave). In particular, the sectoral CHM creates additional incentives for an individual NGO to credibly bind itself to the promise not to exploit its stakeholders, including intended beneficiaries. In contrast to Prakash and Gugerty (2010a), our rational-choice approach is capable of reconstructing and analyzing second-wave accountability mechanisms because it uses an open concept of utility.

Of course, we fully acknowledge the limited applicability of the stakeholder dilemma as a heuristic device to foster accountability to second-wave stakeholders, in particular when competitive processes create dysfunctional incentives for NGOs. From our ordonomic perspective, the INGO Charter can also be seen as a (potential) means to address a wider range of collective challenges including several manifestations of the competition dilemma. Seen in this light, peer accountability mechanisms are a form of collective self-binding commitments to a variety of accountability standards that are monitored by an external review process. By doing so, NGOs collectively infuse order (Williamson 2009; p. 456) to a formerly unregulated space and generate mutual gains for themselves and their stakeholders. But competition dilemmas are not just limited to advocacy issues, they also appear in service delivery. For example, in specific contexts of institutionalized corruption (Fowler 2013, p. 21), NGO staff members might be tempted to apply corrupt practices when competing with other NGOs for projects with local authorities. Negative reputational effects for donors as well as for intended beneficiaries are the likely consequence. The INGO Charter can therefore be seen as an attempt to create a collective self-binding commitment to implement whistle-blowing systems on a sector-wide basis. Relying on review procedures and sectoral CHMs, the INGO Charter would be able to identify and sanction those organizations that do not comply with anticorruption standards, mainly through peer disapproval and loss of membership status. While donation and funding are surely the most obvious levels of competition among NGOs, the INGO Charter also raises sectoral standards with respect to "Ethical Fundraising" (INGO Charter 2016a, b) that redlines effective, but morally controversial fundraising techniques (Manzo 2008). In relation to intended beneficiaries, the INGO Charter's principle of 'Responsible Advocacy' sets standards how to generate responsible and exit irresponsible advocacy positions, which again can be seen as a solution to the competition dilemma of responsible campaigning. The current difficulties of NGOs in addressing the collective challenges of public accountability (Lang 2013) again highlight the need for a rational-choice approach capable of reconstructing and analyzing the underlying interaction problems and generating ideas to overcome collective self-damage.

6.5 How to move forward: Implications for a “third wave” of NGO accountability reforms

This paper is intended to take the literature forward in developing a comprehensive rational-choice-based governance approach of NGO behavior that paves the way for adequate reform proposals. We believe that our framework adds value to the literature because it facilitates fresh thinking about both new and established mechanisms to improve NGO accountability. In particular, we believe our approach to be helpful in theorizing about what Crack (2013a, p. 12) calls a “third wave of reforms to strengthen the institutionalization of dialogic and peer accountability,” i.e., the implementation of (stakeholder) dialogues to empower intended beneficiaries. This is viewed in the literature as an extremely difficult challenge, and observers remain skeptical about its potential of implementation due to high opportunity costs and a lack of skills.

The rational-choice perspective developed in this paper helps to better understand the working properties of the first two reform waves and also to identify the key drivers of future reforms. In general, first-wave governance reforms have primarily addressed principal–agent problems in one-sided social dilemma structures between NGOs and donors/legal authorities. Although it is relatively easy to implement and useful to establish trustful relationships with donors and legal authorities, the literature highlights that these reforms may have the additional adverse effect to dilute NGO efforts from staying accountable to members/personnel, peers, and intended beneficiaries—a tendency that prompted the second-wave governance reforms. Our framework highlights that the biggest challenge of second-wave reforms is NGO accountability towards intended beneficiaries, with different consequences on three different levels:

(i) NGO accountability toward intended beneficiaries can be reconstructed as a one-sided dilemma structure (stakeholder dilemma) if stakeholders are (en)able(d) to articulate powerful feedback, the impact of which would be crucial for an individual NGO’s reputation. For example, Amnesty International was heavily criticized in public discussions for adopting a policy of decriminalization of prostitution to protect the human rights of sex workers. In responding to this criticism, AI referred to a profound research and consultation process, which included various discussions with a wide range of stakeholders and an opinion survey among more than two hundred sex workers (Amnesty International 2015b). According to our ordonomic interpretation, AI was able to withstand strong public opposition because they invested (heavily) into an individual self-commitment to stay accountable, i.e., to speak responsibly on behalf of their intended beneficiaries. Yet this self-commitment is only possible because sex workers could easily object to AI’s openly declared positions, which would do serious harm to AI’s reputation as a true advocate of their interests.

(ii) AI’s “involvement of affected stakeholder groups” is considered a best practice example by the INGO Accountability Charter (2015) and surely deserves commendation. Yet, this formal recognition of AI’s performance also indicates that effective dialogic accountability mechanisms are still rare. Our framework can show why: As Prakash and Gugerty (2010a) point out, accountability to donors is not necessarily separated from the accountability to beneficiaries, and accountability to donors can partly substitute accountability to beneficiaries. By the same token, NGO accountability to intended beneficiaries is not necessarily separated from NGO accountability to peers, and accountability to peers can substitute accountability to beneficiaries. The transition from beneficiaries to peers is a promising avenue due to the overlapping interests among both groups and the characteristics that most NGO peers

share. First, intended beneficiaries and NGO peers have a shared interest in sector-wide responsible advocacy: intended beneficiaries with regard to the effectiveness of proposed policies by their advocates and NGO peers with regard to safeguarding their collective reputation and identity as promoters of the common good. Second, NGO peers have the expertise to evaluate the focal NGO's performance, and third, NGO peers have access to relevant information on potential free-rider activities due to increasing network communication among NGO peers (Romzek et al. 2012).

However, it seems that NGO self-regulation initiatives still struggle to generate sufficient sanction potential or additional benefits to "solve issues of compliance, implementation and enforcement that follow initial stages of standard setting" (Sidel 2010, p. 15). Recent research indicates that even those initiatives with strong external review procedures and sectoral CHMs face collective action problems. As an example, a study by the INGO Charter assessing the accountability performance of 40 leading international CSOs [including 25 member organizations] shows that "many CSOs haven't formulated and systemized a clearance process/fact check" (INGO Charter 2016b, p. 11), although all member organizations committed themselves to the Principle of Responsible Advocacy (INGO Charter 2016a). In addition, many member organizations are shown to miss a fully functioning CHM, which is the basic requirement for membership in the INGO Charter (INGO Charter 2016b, p. 10). Of course, on this basis it seems easy to criticize self-regulation initiatives for their lack of effectiveness in terms of compliance to committed standards. Yet, as we do, one could also interpret this self-exposure of serious accountability shortcomings as a signal to external stakeholders that the INGO Charter takes its commitments seriously and that member organizations need to show significant progress in the future.

Thus, a pressing challenge of second-wave governance reforms culminates in establishing sectoral standards that address the competition dilemma in NGO advocacy. Though numerous voluntary regional and international initiatives have created accountability standards for the whole NGO sector (Hammer et al. 2010, pp. 4–5), most of them lack an effective governance mechanism to identify and sanction noncompliance (Sidel 2010). One reason might be that competing self-regulation initiatives are tempted to lower their accountability standards in order to attract new members. Preventing race-to-the-bottom dynamics on the level of standards is a challenge that requires mutual acknowledgement and partly harmonization of competing accountability frameworks to establish comprehensive sectoral standards.

(iii) A way to facilitate NGO sector-wide solutions can be seen in bi-sectoral initiatives, which could help enhance the effectiveness of collective self-regulation of NGOs. Though there are examples of bi-sectoral partnerships between the private sector and nation-state authorities or even supranational authorities (e.g., United Nations Global Compact, Forest Stewardship Council, Marine Stewardship Council), incorporating state authorities in NGO sector-wide accountability standards does not come without risk. Thus, it might be much easier to think about bi-sectoral initiatives between companies and NGOs as a balanced partnership of equals. In fact, competition to attract public attention is not limited to the NGO sector, but also involves the for-profit sector. As a result, it might be worth discussing a partnership such as a "global responsible communication standard."³⁰

³⁰ We owe the idea of a "global responsible communication standard" to Kernaghan Webb. In private communication he outlined this concept as a way of fostering trustful and fair dialogues among actors of different sectors, in particular, between business firms and civil society.

Certainly, the development of such a standard would be an extraordinary challenge due to conflicting interests and the potentially large number of participants. Yet, it could refer to and, in part, also build upon already established accountability standards within the NGO sector. For example, the INGO Accountability Charter (2016a) has a “responsible advocacy” standard that states: “[b]eing responsible in our public criticism, ensuring it amounts to fair public comment and giving a right of reply.”

Crack’s (2013a) two-waves framework of accountability reforms reproduces the broad and overall chronological order of governance reforms. Each reform wave builds on the former, with the latter wave incorporating the former. However, our analysis draws particular attention to a second dimension that works in the opposite direction. In addition to the chronological dimension, there are also potentially positive feedback effects, which means that higher-wave reforms can also support the effectiveness of lower-wave reforms to solve accountability challenges. While there has been a great deal of discussion about the potential of NGO accountability to foster organizational learning (Slim 2002; Ebrahim 2005), the competition dilemma underlines the need for a learning process to mitigate the adverse effects caused by unregulated competition. Third-wave reform initiatives (such as discussing about and implementing a bi-sectoral initiative) can facilitate NGO sector-wide initiatives to establish higher communication standards (Will and Pies 2016). In addition, developing an effective regulatory regime for peer accountability to solve the competition dilemma of NGO advocacy can be seen as a sectoral learning process that translates into positive incentives to solve the stakeholder dilemma via accountability mechanisms such as the CHM or stakeholder dialogues.

In sum, our ordonomic analysis of social dilemmas provides an alternative reconstruction of relationships in NGO accountability. On the ideational level, this approach does not rely on pure good will of NGOs. Its unique feature is to incorporate value-based and organizational interests of NGOs, including monetary and nonmonetary, in its analysis. From a pragmatic perspective, thus, the proposed reforms promote a crystal-clear win–win orientation which should help NGOs to effectively engage in self-regulation. As an illustration, Prakash and Gugerty’s (2010a, p. 4, 10) use of rational-choice theory leads them to view self-regulation clubs primarily as a means to satisfy the needs of important financial stakeholders such as donors. In criticizing this perspective, Deloffre (2010, p. 191) points out that “humanitarian NGOs designed accountability clubs in order to meet their perceived moral duty, not in response to agency dilemmas.” In fact, according to our framework, these views do not contradict each other, but both are deserving of merit in their own right. The ordonomic use of rational-choice theory suggests an ideational perspective that both NGO goals—donor interests and the moral mission—can be assigned to different levels in a multiple means–end scheme. In analogy to AI’s commitment to waive financial resources of governments or political parties, accountability clubs can be interpreted as a means to serve the intermediate end of satisfying the needs of donors (Prakash and Gugerty 2010a), which in turn serves as a means to achieve the final end of living up to their moral mission (Deloffre 2010).

6.6 Conclusion and further research

Fostering NGO accountability is a complex issue that includes not only practical but also conceptual challenges with enormous social relevance. To support this endeavor, we have developed a comprehensive rational-choice-based governance framework to interpret the stakeholder relationships of NGOs as interaction problems, and we identify

two archetypical dilemma structures: the (a) stakeholder dilemma between the NGO and a single accountability holder as a one-sided social dilemma and the (b) competition dilemma among rival NGOs as a many-sided social dilemma. We also believe that our framework supports NGOs and their managers to put the issue of competition among NGOs high on the agenda of their networks, cooperations, and alliances and to design and implement (more) effective forms of self-regulation.

In terms of future research, our analysis suggests at least three ways for future research efforts: First, our analysis shows that NGOs face difficulties addressing both the stakeholder and the competition dilemmas. A potential remedy can be seen in integrating credible third parties as facilitators of individual and collective self-binding commitments, which might provide services for individual and collective forms of self-commitment (cf. Pies et al. 2009, p. 388 et seq.) For example, the problem of NGOs to provide credible knowledge about the effects of promoted policies to intended beneficiaries can be mitigated by partnering with scientific bodies (Copestake 2014, Will and Pies 2016). Cooperating with scientists provides an opportunity for high-quality evaluations and policy analysis if these academic bodies face adequate incentives to maintain a strong reputation of academic integrity and respectability. While such external evaluation processes represent a prudent NGO strategy vis-a'-vis a one-sided social dilemma with well-intentioned funders, an individual NGO might face a strong disincentive to engage in such practices in a competitive funding environment. However, seen from the collective perspective of all NGOs affected by negative reputation, there is a strong collective interest of the group of NGOs to raise sectoral standards by appropriate governance mechanisms, even if these efforts are only supported by single but large funders and, thus, may fall short of providing a complete, sanction-based NGO self-regulation in the first place.

Second, long-term studies on the results of industry self-regulation in the corporate sector underline the need for a better understanding of effective governance mechanisms that guarantee high (moral) standards of organizational behavior. Most recently, multi-stakeholder initiatives such as the Forest Stewardship Council have been heavily criticized for their lack of effectiveness, low-quality standards and lack of stakeholder support (Moog et al. 2015). Though we suggest thinking in more detail about the potential of bi- and multisectoral initiatives to enhance NGO accountability, their critical working properties—including the self-perception of NGOs as pure promoters of the common good—remain an important question for further research.

Third, we have treated NGOs as collective, “single unitarian” moral actors throughout this paper. On the one hand, this is a reasonable methodological decision to reduce complexity insofar as the moral misconduct of a single NGO personnel or volunteer can easily and directly translate into reputational damages for the focal NGO. To address the negative actual and future consequences, the NGO then has no other choice but to react as a collective actor using organizational counter measures. On the other hand, although not in the immediate focus of this paper, our rational-choice-based governance approach can be equally applied to intra-organizational relationships within a particular NGO. For example, moral misconduct in interactions between different hierarchical levels can be analyzed using a one-sided social dilemma. Focusing on, e.g., the interaction between NGO managers and NGO employees could study the potential for managers to exploit employees, which could result in a morally undesired situation such as withholding important information about specific NGO activities that can unintentionally lead to misrepresenting interests or silencing voices of intended beneficiaries. Moral misconduct could also take place among equals, i.e., among NGO

volunteers on the same level within the NGO hierarchy. Such a situation could be analyzed with a many-sided social dilemma, and it could highlight how moral standards can easily erode within a team if moral leadership is absent that places high priority on supporting moral standards with adequate intra-organizational governance arrangements.

Compliance with Ethical Standards

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6.7 References

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7 Discussion

This chapter links and integrates the empirical findings and theoretical contributions of the three previous articles (Chapters 4, 5 and 6) to an ordonomic analysis of discourse failure in the NGO Sector. In addition, it maps out the different scales of interaction in deliberative systems, thus revealing the potential and limits of NGO self-regulation.

7.1 Ordonomic analysis of discourse failure in the NGO sector

This analysis of discourse failure in the NGO sector uses a three-level scheme, a particular theory element of the ordonomic approach (Pies 2016), to link the three arenas of social interaction within the NGO sector. In a first step, the ordonomic analysis (1) explains discourse failure in the NGO sector as a discrepancy between normative ideas and institutions. In a second step, the ordonomic analysis provides (2) normative recommendations to address discourse failure through realigning ideas and institutions.

((1)) In general, the discrepancy between normative ideas and institutions describes a mismatch between the shared values of a particular group and the incentive structure of the single actors to act according to these values. Regarding discourse failure in the NGO sector, while currently NGOs widely adhere to deliberative values, they have not established institutions that underpin their moral aspiration with suitable incentives. This basic argument is elaborated in five steps (a to e) as illustrated in Table 7-1.

Table 7-1: Ordonomic analysis of discourse failure in the NGO sector

Level of analysis	Diagnosis of discourse failure
Discourse about the rules of the game	(a) NGOs adhere to deliberative values and commit to accountability standards (e) NGOs cultivate a moral self-concept that favors societal interests over self-interests
Rules of the game	(b) NGOs have only established weak institutions of standard compliance
Moves in the game	(c) NGOs undermine accountability standards and deliberative values (d) NGOs foster discourse failure because they are trapped in a competition dilemma

Effects of moralizing self-interests:

- Disregards potential of institutional reforms
- Promotes moral dilemma perception and moral appeals

((a)) On the level of discourse about the rules of the game, there are strong empirical indications that NGOs widely adhere to deliberative values. As a case in point, many NGOs intend to place the views of their beneficiaries into the heart of their advocacy work, (Schmitz et al. 2012) and express these moral aspirations in numerous individual codes of conducts and sectoral accountability standards (Hammer et al. 2010, p. 26).

These individual and collective commitments often entail promises to communicate responsibly in public discourse, and thus to promote good deliberation. Again, good deliberation is generally defined as behavior that contributes to the epistemic, ethical or democratic function of public discourse (Mansbridge et al. 2012). As an illustrating example, signatory NGOs of the “Code of Conduct of Images and Messages” (DOCHAS 2018), launched by the Irish Association of Non-Governmental Development Organizations, promises to “represent the full complexity of the situations [of humanitarian crisis] in which they work” (ibid.). Keeping this promise would provide detailed descriptions of social maldevelopments and likely generate good arguments why and how to address them. A more prominent example is the “Global Standard for CSO Accountability” (Global Standard 2018) that is most likely the accountability framework with the biggest reach worldwide. Developed by nine regional accountability networks, several thousand NGOs have committed to this reference standard. According to the initiators, the Global Standard “has the potential to transform the civil society sector into a highly participative and responsive actor, generating trust on the ground and leveraging stakeholder contributions for greater impact” (ibid.). Hence, signatories of the Global Standard seek to create “dialogue with people,” to build “trust” (ethical function), and to ensure that their “advocacy work is based on evidence and is informed by the views of affected people” (epistemic function). Moreover, signatory NGOs promise to “[i]nvite and analyze feedback and complaints from key stakeholder groups to inform decision-making” (ibid.; democratic function).

((b)) On the level of the rules of the game, for now, the NGO sector has only established weak institutions of standard compliance (Prakash and Gugerty 2010b, Burger and Seabe 2014). Conducting a global review of more than 300 initiatives, Hammer et al. (2010, p. 23) conclude that the “current self-regulatory initiatives display a widespread lack of specific, measurable standards which would allow an assessment of how accountable an organization is in the conduct of advocacy.” Regarding NGO advocacy, the bulk of self-regulation initiatives are not capable of monitoring the degree of accountability, which displays a necessary precondition to identify and sanction non-compliance with standards. One of the few promising cases is the global initiative “Accountable Now” (AN) with prominent members like Greenpeace International, Transparency International, and Oxfam International. Since its foundation in 2006, AN has incrementally institutionalized reporting and monitoring, and lately even adopted a sanctioning policy in cases of non-compliance (Hielscher et al. 2018, forthcoming; Chapter 5).

((c)) On the level of the moves in the game, empirical research indicates that NGOs struggle to comply to agreed-upon accountability standards (Traxler et al. 2018, Hammer et al. 2010, Carolei 2018) and to put their moral aspirations into practice (Schmitz et al. 2012). Even in the case of AN that, compared to other accountability initiatives, possesses strong institutions for standard compliance, the actual compliance rate of AN’s members needs improvement, in particular in the area of advocacy. In 2016, AN commissioned an extensive survey that evaluated the accountability performance of 20 members and 20 non-members (AN 2016). This performance survey revealed that only 4 of 40 evaluated international NGOs had a functioning Complaints Handling Mechanism (CHM) in place that represents AN’s only minimum standard. Indeed, AN considers CHMs to be key for incorporating the views of beneficiaries into the organizations’ decision making. Moreover, many of AN’s members lacked accountability mechanisms to ensure the quality of their advocacy work, such as clear guidelines to generate and exit advocacy positions or simple fact checks (ibid.) While

non-compliance with AN's accountability standards does not necessarily convert into discourse failure, severe accountability deficits of the NGO sector, measured in terms of the overall standard compliance rate, are likely to enhance the risks of misleading and misinforming public campaigns (Will and Pies 2016, Hielscher et al. 2017; Chapter 6). In return, a high level of NGO accountability on the sectoral level indicates a high quality of NGO advocacy and subsequently is likely to prevent discourse failure.

((d)) Against this backdrop, Pincione and Tesón's (2006) blueprint analysis is also useful for understanding discourse failure in the NGO sector (Winkin 2018 forthcoming; Chapter 4, Will and Pies 2016). With a focus on advocacy activities, Hielscher et al. (2017; Chapter 6) theorize that NGOs find themselves in a "competition dilemma." In such a situation, it is individually advantageous for the single NGO to conduct "irresponsible campaigns" due to the urgent need to attract public attention and donations for their noble causes. Nevertheless, if the public audience becomes aware of misinformation and misrepresentation of political issues, NGOs unintentionally put their collective credibility at risk. Notably, although NGOs have good intentions, the dysfunctional incentive structure, theorized as competition dilemma, urges NGOs to conduct irresponsible public campaigns (ibid.) undermining commonly agreed-upon accountability standards and shared deliberative values.

((e)) Although various economic scholars (Prakash and Gugerty 2010a; 2010b) recommend the contrary, the vast majority of NGO self-regulation initiatives resists strengthening the institutions of standard compliance. This dissertation argues that the reservations of NGOs against stronger rule-enforcement stem from a widespread moral self-concept that antagonizes societal interests and self-interests. Underpinning this argument, Chapter 5 (Hielscher et al. 2018, forthcoming) develops an empirically derived model that explains how different moral self-concepts of NGOs shape the perception of competition and the attitude towards institutions for standard compliance. For example, NGOs that frame societal interests and self-interests as antagonistic counterparts are likely to perceive competition as a zero-sum game (ibid.). From such a moral dilemma perspective, NGOs should prioritize their moral responsibilities towards their beneficiaries instead of pursuing self-interested objectives. Illustrating this form of tradeoff-thinking, a leading figure of the self-regulation initiative the "SPHERE Project" points out that stakeholder dialogues with beneficiaries should be conducted voluntarily (Crack 2016, p. 13):

I have come to the conclusion that accountability to beneficiaries can't become, and mustn't become, a hard bureaucratic requirement. Because then you lose the essence and the meaning and the humanity that is about accountability to beneficiaries.... I think it needs individuals to make it happen. And individuals will make it happen when they realize that it's fundamentally important, from a rights, from a human dignity, from a humanity perspective (Int.31).

This statement epitomizes the wide-spread retention against strong institutions of standards compliance ("hard bureaucratic requirements") because they are perceived to dismantle the moral self-concept of NGOs as promoters of the common good ("humanity perspective"). Further, this NGO manager implicates that the reason why NGOs still ignore the voices of beneficiaries is because of individuals that do not (yet) understand the importance of "human dignity." At the same time, suggesting that accountability to beneficiaries is mainly a matter of willpower and awareness neglects or at least downplays the role of incentives and the potential of institutional reforms. Thus, from this perspective, moral appeals are the logical reform option to address accountability deficits. However, although moral appeals have been heard considering the high number of voluntary codes of conducts and sectoral standards (Hammer et al.

2010), they also proved to be widely ineffective in the face of rather disillusioning accountability performances of NGOs (Schmitz et al. 2012, Traxler et al. 2018, AN 2016).

((2)) The ordonomic analysis of discourse failure in the NGO sector proposes ideational and institutional reforms to address discourse failure. Table 7-2 illustrates this argument in three steps (f to h).

Table 7-2. Ideational and institutional reform approaches to address discourse failure in the NGO sector

Level of analysis	Therapy for discourse failure	
Discourse about the rules of the game	(f) NGOs can cultivate a moral self-concept that includes self-interest and societal interests	Effects of ideational reform: <ul style="list-style-type: none"> • Facilitates social dilemma perception of the basic game • Shifts focus on the rules of the game
Rules of the game	(g) NGOs can establish strong institutions of standard compliance	
Moves in the game	(h) NGOs are in a better position to comply with accountability standards, put deliberative values into practice and contribute to the valuable functions of public discourse	Effects of institutional reform: <ul style="list-style-type: none"> • Change of incentive structure helps NGOs to overcome the competition dilemma

((f)) On the level of discourse about the rules of the game, NGOs can cultivate a moral self-concept of mixed-motive actors that acknowledges the existence of organizational self-interests alongside societal interests. Notably, this moral self-concept enables actors to realize, that societal interests and self-interests can be in harmony or conflict depending on the context. The case study on AN is a good example, which (Hielscher et al. 2018, forthcoming; Chapter 5) shows that mixed-motive actors are more likely to perceive the adverse effects of unregulated competition among NGOs. Additionally, mixed-motive actors support establishing institutions of standard compliance to reform the dysfunctional incentive structure and create mutual gains. A former leading figure of AN illustrates this social dilemma perception explaining how self-regulation can harness self-interest of NGOs toward promoting societal interests: “Yes, there is still competition but in the interest of the greater good leading NGOs put limits on the way we compete [...] to achieve our goals” (Hielscher et al. 2018, forthcoming). Consequently, understanding that accountability deficits in the NGO sector are not necessarily a question of good intention, awareness or willpower, but of suitable incentives shifts the focus on institutional reforms.

((g)) Thus, on the level of the rules of the game, NGOs can establish stronger institutions of standard compliance that change the incentive structure and help NGOs overcome the competition dilemma on the level of the moves of the game. The particular content of the standards and the actual procedures needed to monitor and enforce their compliance is a practical question. As a general rule of thumb, good practice should become a sectoral standard, whereby what represents good practice is continuously defined and negotiated by the NGO community. Moreover, institutions of standard compliance need to create prohibitive incentives that constrain and channel the self-interests of NGOs to promote societal interests.

((h)) Finally, these two reforms (f and h) realign ideas and institutions (Pies et al. 2009), insofar that good reasons to act morally in public discourse are underpinned by suitable incentives to do so. Consequently, NGOs will enhance their compliance with accountability standards and better contribute to the valuable functions of public discourse.

The ordonomic analysis of discourse failure in the NGO sector exclusively focused on the interaction of NGOs. However, good deliberation is not matter of NGOs alone. Hence, the next subchapter takes a system perspective and maps various social interactions on different scales that matter for good deliberation in public discourse.

7.2 The interdependence of social interactions on different scales in deliberative systems

Analyzing deliberative systems (Mansbridge et al. 2012) means to decompose systems into components. Thus, a systemic analysis investigates the functions and interrelations of particular systems or system components. Consequently, researchers can define boundaries and components of systems according to their focus of interest (Sabadoz and Singer 2017). Moreover, components of deliberative systems can be reconstructed as subsystems that again consist of different components.³¹ In particular, a systemic approach enables “see more clearly where a system might be improved, and recommend institutions” (Mansbridge et al. 2010, p. 4). Assuming interdependence implies that changes in one system can lead to changes in other systems (ibid.). Conversely, changes in one system can also be limited by other systems.³²

From an ordonomic perspective, deliberation is a form of social interaction that can fail due to social dilemmas. Accordingly, a deliberative system is a particular set of deliberative games (deliberation) shaped by specific institutionalized incentives and normative ideas. Distinguishing different scales of deliberation (Figure 7-1) is helpful to map possible interactions and draw the boundaries of a deliberative system. The organizational level maps internal interactions within NGOs among stakeholders, such as staff, management, or members (dashed line within triangles), and among NGOs and external stakeholders such as beneficiaries or funders (dashed line between triangle and dashed oval). The sectoral level focus on the interactions among NGOs (dashed line among triangles), whereas the cross-sectoral level represents the interactions between the NGO sector, the business sector, and the political sector (dashed line among circles). Additionally, interdependence can be theorized as overlapping social dilemmas that point out the potential and limits of specific institutional reforms. Thus, NGO self-

³¹ Following Brown (1968), Luhmann (1999) terms this theoretical operation as a re-entry.

³² For the theoretical distinction between system and environment, interdependence among systems and the role of couplings, see Luhmann (1995).

regulation, located on the sectoral level, has the potential to improve accountability towards stakeholders on the (1) organizational level but it is partly limited due to competition on the (2) cross-sectoral level.

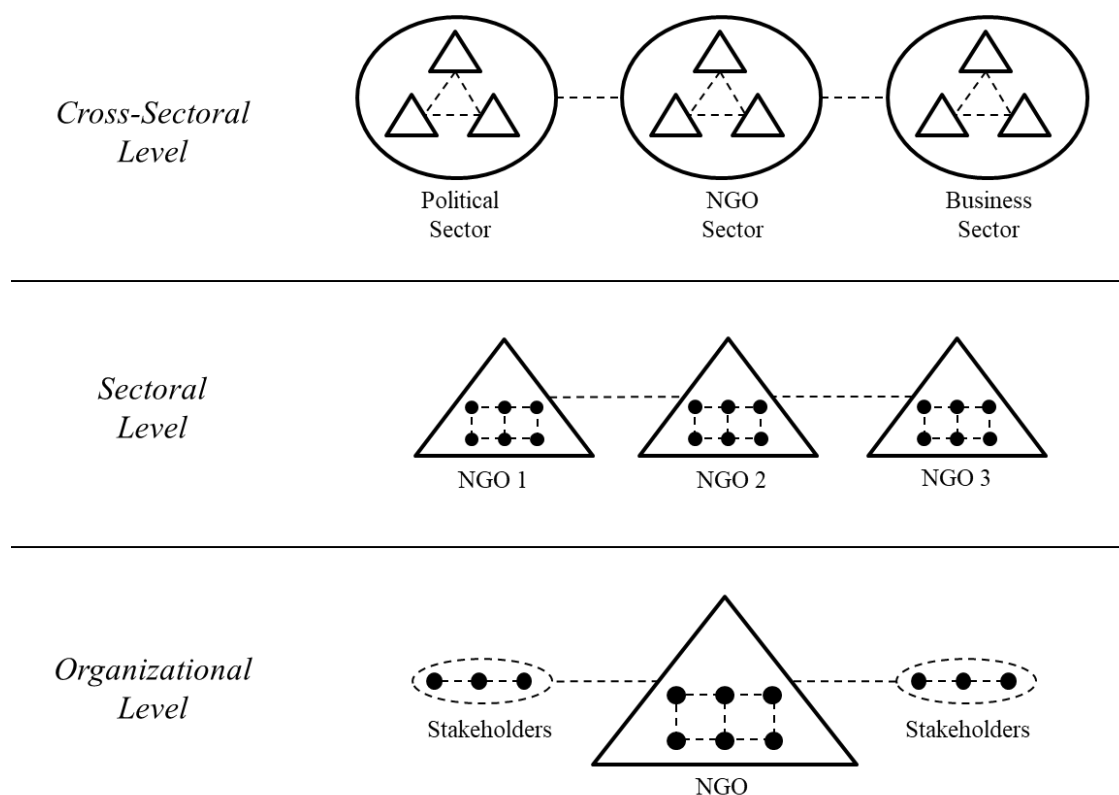


Figure 7-1. Mapping deliberative interaction on different scales

((1)) The literature on NGO accountability (O'Dwyer and Unerman 2008) outlines that competition among NGOs to attract public attention is a major obstacle to implement stakeholder dialogues with beneficiaries. From an ordonomic perspective (Hielscher et al. 2017; Chapter 6), this aspect can be theorized as the overlap of the stakeholder dilemma (beneficiaries-NGO-interaction) and the competition dilemma (NGO-NGO-interaction). Stakeholder dialogues display individual self-binding commitments that NGOs can use to overcome the stakeholder dilemma. However, the implementation of stakeholder dialogues can display a disadvantage in the competition with rival NGOs when it comes to attracting public attention as it may thwart ongoing campaigns. In a nutshell, as long as the competition dilemma is unsolved, NGOs are incentivized to misrepresent stakeholder interests. Conversely, if NGO self-regulation establishes standards of responsible advocacy and institutions of standard compliance to overcome the competition dilemma on the sectoral level, only then can NGOs effectively address the stakeholder dilemma on the organizational level. After AN adopted CHM as new minimum standard in 2014, Greenpeace International introduced CHMs in approximate 2/3 of their national federations. Since then, Greenpeace International reported having received and responded to over 10.000 complaints per year (AN 2018, Hielscher et al. 2017; Chapter 6).

((2)) However, competition to attract public attention is not limited to NGOs, but also incorporates political and economic actors (Pincione and Tesón 2006). Therefore,

reconstructing the competition dilemma on the cross-sectoral level pinpoints the limits of NGO self-regulation to address the competition dilemma on the sectoral level. On the cross-sectoral level, the unilateral adoption of high accountability standards by the NGO sector (overcoming the sectoral competition dilemma) can be interpreted as a cooperative strategy. If other sectors use defective strategies (low accountability standards), the outcome would disadvantage the NGO sector substantially when competing with corporations or political actors in public discourse to attract attention and public support. Notably, stressing the limits of sectoral self-regulation is not a plea for low accountability standards or weak institutions of standard compliance, but a strong reminder that addressing discourse failure is also a cross-sectoral challenge (Hielscher et al. 2017; Chapter 6). NGOs *should* incrementally raise accountability standards and establish institutions of standard compliance as long as they benefit collectively. At the same time, NGO self-regulation initiatives *should* cooperate with collective organizations of the private and state sector to discuss and establish cross-sectoral accountability standards for public discourse. Finally, Chapter 5 also provides a “toolkit to develop long-term strategies for organizational self-regulation” (Hielscher et al. 2018, forthcoming) that also can be used for cross-sectoral initiatives.

In sum, understanding deliberative systems as a complex network of social interaction on different scales informs practitioners and regulators about the potentials and limits of their aspired reforms. Moreover, the discussion of the most important theoretical and empirical findings of this dissertation also yield valuable implications for the literature.

8 Overall theoretical implications

This chapter presents the meta-theoretical implications, with regard to paradigmatic assumptions, and subsequent theoretical implications for (1) deliberative and (2) rational-choice theory, and (3) the research on NGO accountability. The overall implications concern the three hypotheses related to the analytical levels of the ordonomic approach. As a reminder, on the level of the rules of the game, *hypothesis I states that the dysfunctional incentive structure systemically causes discourse failure*. On the level of the rules of the game, *hypothesis II sets forth that institutions shape the incentive structure of public discourse*. On the level of the discourse of the rules of the game, *hypothesis III declares that normative ideas shape institutions*.

((1)) Without question, deliberative theory has largely contributed to the understanding of the functions of public discourse in democratic societies. In particular, deliberative scholars have investigated the role of normative ideas with the focus on deliberative values. Hence, many deliberative scholars have pointed out that the internalization of deliberative values would be a necessary and sufficient condition for good deliberation (Baur and Arenas 2014, Palazzo and Baur 2011). Despite the postulated shift of focus on institutions (Bächtiger et al. 2010, Mansbridge et al. 2012), deliberative scholars still view discourse failure as the result of the intentional misuse of power (Mansbridge et al. 2012). Also, they stick to the well-known recipes against discourse failure such as internalizing deliberative values (Dodge 2015), empowering value-driven NGOs (Mansbridge et al. 2010) or promoting the unregulated interaction in public discourse (Baur and Arenas 2014). Against this backdrop, the following implications mainly concern hypotheses I and II.

The first implication concerns the paradigmatic repositioning of deliberative theory (Mansbridge et al. 2010; 2012). The ordonomic analysis of discourse failure in the NGO sector exemplifies the importance of focusing on the role of institutions, and thus displays an encouragement for deliberative scholars to further pursue the yet incomplete paradigm shift (hypothesis II). Furthermore, the shift of focus from intention to institutions is necessarily paired with an open conceptualization of actors to be driven by both, self-interests and societal interests. In the past, deliberative theory moralized self-interested motives by defining deliberative behavior as common-good oriented. This strong normative springboard set the research focus on the intention and values of the involved actors (Bächtiger et al. 2010), while it largely blinded out the crucial role of institutionalized incentives (Warren 2007).

Second, discourse failure is not necessarily the result of the misuse of power but of dysfunctional incentive structures that were conceptualized as social dilemmas from an ordonomic perspective (hypothesis I). Consequently, the well-known recipes mentioned above are expected to be ineffective because they do not reform the incentive structure of public discourse, which is necessary to overcome social dilemmas. Even worse, calling for the creation of power or promoting unregulated interactions (Baur and Arenas 2014) is likely to manifest the dysfunctional incentive structure in public discourse.

Third, setting sectoral and cross-sectoral standards for organizational accountability can be an effective way of establishing fair competition in public discourse and unfolding the deliberative potential of the NGO sector and other deliberative systems, such as the political or business sector (hypotheses I and II). In the context of market economies, neoliberal economists have already outlined the value of regulated competition. According to Hayek (1948), competition can be a valuable mechanism to

incentivize market entrepreneurs to create new and better products. If regulated properly, competition within and among deliberative systems can incentivize policy entrepreneurs to ‘invent’ better reform approaches to address societal problems. Following Eucken (1960), regulated competition in markets can limit the misuse of power by single actors in market economies. Similarly, fair competition in public discourse can limit the misuse of power by single actors, an issue that widely concerns deliberative scholars. Consequently, discussing the risks and potentials of competition to attract public attention can be a door opener for the development of (cross-)sectoral accountability standards and the implementation of suitable institutions of standard compliance. Furthermore, linking the different scales of deliberative systems is important to estimate the potentials and risks of institutional reforms. For example, unduly high NGO accountability standards on the sectoral level can display a long-term disadvantage for NGOs in the confrontation with corporations or political actors in public discourse on the cross-sectoral level.

((2)) Rational-choice scholars (Pincione and Tesón 2006) provide a blueprint analysis on how to explain discourse failure that stems from a dysfunctional incentive structure of public discourse. However, they fail to propose effective reform approaches that are compatible with democratic principles. As a case in point, cutting state spending (*ibid.*) is unlikely to change the situational logic of the competition dilemma, while it clearly threatens the capacity of democratic states to provide essential public goods. Hence, the following implications are mainly related to the hypothesis III.

The main theoretical implication for rational-choice approaches is to integrate the role of normative ideas into their analysis (hypothesis III). Outstandingly, investigating the interdependence of normative ideas and institutions is key to understanding why certain groups are capable of organizing collective action, whereas others are not. For example, the case of Accountable Now (AN) illustrates (Hielscher et al. 2018, forthcoming, Chapter 5) how AN’s leadership stepwise convinced AN’s members to adopt a normative idea of self-regulation that reconciles self-interests and societal interests. Moreover, non-public webinars and workshops displayed a safe and trustful space for discussion that catalyzed forging a shared normative idea of self-regulation that values the enforcement of compliance. Therefore, AN not only agreed upon encompassing accountability standards but also implemented institutions of standard compliance that incentivize NGOs to live up to deliberative values in public discourse. In return, already minor institutional reforms, such as reporting procedures, can inform the discourse about new and better rules and foster ideational change.

((3)) The literature on NGO accountability has proven its utility because it addresses urgent legitimacy questions (Brown 2008). The incorporation of marginalized stakeholder voices in the advocacy work of NGOs (O’Dwyer and Unerman 2008, Prakash and Gugerty 2010a, Crack 2017) is particularly relevant for the problem of discourse failure. While empirical research reveals severe accountability deficits of NGOs (*inter alia*, Schmitz et al. 2012), the theoretical research features an “idea-institution-divide” (Hielscher et al. 2018, forthcoming; Chapter 5). On the one hand, sociological approaches stress the role of normative ideas (hypothesis III), whereas, on the other hand, economic approaches focus on institutions and their incentive properties (hypothesis I and II). Consequently, Schmitz et al. (2012, p. 1190) call to focus on “internal and external constraints” that “limit innovative accountability practices.” Against this backdrop, this dissertation contributes to the literature through the development of a bridging approach to NGO accountability that yields various

implications for the literature concerning all three hypotheses (Hielscher et al. 2018, forthcoming; Chapter 5).

First, sociological approaches to NGO accountability can strongly enrich their analysis if they also focus on institutions and their incentive properties (hypotheses I and II). However, sociological approaches will struggle to analyze institutions until organizational self-interests are seen as an integral part of NGOs. Therefore, they will have to abandon conceptualizing NGOs as primarily value-driven actors (Deloffre 2010). While this conceptualization of NGOs mimics the way NGOs describe themselves, it tends to promote an understanding of accountability problems as moral dilemmas that narrowly focus on how to behave in a given situation. A typical recommendation is that NGOs should prioritize societal interests, such as environmental protection or poverty reduction, over organizational self-interests, such as funding. In contrast, understanding accountability problems as social dilemmas sets the normative focus on the question of how to change the rules of the game (Hielscher et al. 2017; Chapter 6). There is no clear-cut right or wrong understanding of problems. However, some descriptions of problems are more helpful than others when it comes to thinking about institutional reforms.

Second, economic approaches to NGO accountability (Prakash and Gugerty 2010a; 2010b) can profoundly benefit from the integration of normative ideas into their analysis (hypothesis III). So far, the recommendation to underpin accountability vis-à-vis beneficiaries with suitable incentives is correct. However, it also represents an argumentative dead end (Hielscher et al. 2018, forthcoming, Chapter 5) as long as economic scholars refrain from investigating why NGOs oppose advice that aims to strengthen rule enforcement. As already outlined, the case of AN illustrates how normative ideas of self-regulation and institutions of standard compliance interplay (*ibid.*).

Third, economic as well as sociological approaches can benefit from the differentiation between two types of social dilemmas in NGO accountability (Hielscher et al. 2017; Chapter 6) that require particular reform approaches (hypotheses I and II). The stakeholder dilemma takes the form of a one-sided prisoners' dilemma with asymmetric exploitation potential and can be addressed through individual self-binding commitments by the single NGO. In contrast, the competition dilemma takes the form of a two-sided prisoners' dilemma with symmetric exploitation potential and can only be solved through collective self-binding commitments.

9 Conclusion

The essential functions of public discourse for democratic societies are well documented across theoretical approaches and disciplines (i.a., Habermas 1992, Dryzek 2000, Mansbridge 2012, Valentinov et al. 2013, Will and Pies 2016). The primary objective of this dissertation was to analyze important institutional and ideational challenges of organizations in public discourses and provide normative guidance on how to address them. Further, the proposed reform approaches need to be compatible with democratic principles and consider self-interests and societal interests of organizations in order to be feasible and effective. The ordonomic approach (Pies et al. 2009, Pies 2016) proves to be highly productive because of its integrative ability to forge empirical and theoretical contributions of different scientific disciplines, such as sociology, economics or management studies, into a consistent analysis. The key idea of the ordonomic approach is that moral problems arise because of the discrepancies of normative ideas and institutions. Thus, from this perspective, the intellectual challenge is to think of ways to realign normative ideas and institutions, which means to ensure that what fosters societal interests also serves self-interests (ibid.).

The discrepancy between ideas and institutions in the context of public discourse manifests itself in several ways. First, NGOs and other actors choose distorting framing strategies that disregard the arguments of their political opponents and foster discourse failure. The civic campaign against TTIP and CETA is an impressive showcase for the effectiveness of these strategies in terms of attracting public attention and winning public support. Second, many NGOs demand a high moral standard for themselves and others regarding public communication. These normative ideas revolving around how NGOs ought to behave in public discourse are documented in numerous codes of conduct and sectoral accountability standards (Hammer et al. 2010, Schmitz et al. 2012). NGOs are aware that distorting framing strategies display a threat to the collective reputation of the sector. When reflecting the use of these strategies, they often adopt a moral dilemma perspective which sets the focus on individual responsibilities. From this perspective, an NGO or any other actor must choose between attracting public attention with a simplifying campaign or remaining unheard with a differentiated one. While demanding that deliberative values be put into practice (Baur and Arenas 2014) or postulating that distorting framing strategies should be renounced (Koch 2009) might silence the conscience, these recommendations offer only limited normative orientation on how to actually overcome discourse failure.

The ordonomic approach suggests thinking of discourse failure differently with the objective to explore new ways of addressing it. From an ordonomic perspective, to overcome moral issues, reform approaches need to realign ideas and institutions. The conceptualization of discourse failure as the result of social dilemmas highlights the role of institutionalized incentives and the potential of individual and collective self-binding commitments to change them. Therefore, the ordonomic analysis guides actors to find individual ways to realize win-win potentials for themselves and its stakeholders. Moreover, the ordonomic analysis stresses the importance of understanding discourse failure as a collective action problem. In particular, the competition dilemma represents a situation, in which irresponsible behavior in public discourse is individually beneficial but collectively damaging. Thus, the main institutional challenge for organizations is to commonly agree on what constitutes moral behavior in public discourse and to establish institutions of standard compliance that impose sanctions on free riders or reward good practice. Moreover, the primary ideational challenge concerns the mindset to organize

collective action. For this endeavor, the involved organizations need suitable normative ideas including a moral self-concept of mixed-motive actors. Equipped with this moral self-concept, organizations can understand that their conflicts of interests are part of the problem of discourse failure. At first sight, it might be a bitter pill to swallow for parts of the NGO community, because making self-interests an integral part of their organizational identities feels like a betrayal of their moral missions. Actually, the opposite is the case if this identity transformation is seen as a promotor of self-enlightenment. A whole panorama of conflicts comes into being when drawing the distinction between self-interests and societal interests.³³ In response thereto, NGOs can productively resolve these conflicts through infusing order. At the end of these learning processes, they will be in a better position to advance their moral missions.

³³ Referring to Brown (1969)

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I herewith declare that I – Jan Winkin - have composed the present thesis myself and without use of any other than the cited sources and aids. Sentences or parts of sentences quoted literally are marked as such; other references with regard to the statement and scope are indicated by full details of the publications concerned.

Location, Date & Signature

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