

HUMANITARIAN ALTERNATIVES

How the arrival of companies re-examines the notions of legitimacy and accountability: the example of cash transfer programmes

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Isabelle Schlaepfer invites us to a salutary perspective in the debate on the impact of the arrival of companies in the humanitarian field. Drawing on the recurring question of the legitimacy of NGOs, she demonstrates how the rules of the neo-managerialism influence the way of conceiving and putting into practice the accountability as much towards the donors, the governmental actors as towards the beneficiaries, more and more conceived as consumers of aid.

One of the biggest questions within humanitarian aid is from where involved actors derive their power to act. Is there any legitimacy at all without democracy as one of the main characteristics of the humanitarian arena is the inclusion of non-elected, thus non-democratic, actors. In a sense, then, their action generates a vacuum of legitimacy. Because of the difficulty of defining and identifying this elusive concept, a humanitarian organisation faces multiple legitimacy claims from within the arena of its activism – from the people and communities in need, its donors, implementing partners, the public. Some of these legitimacy claims may conflict or can even be incompatible¹. Although legal and ethical fundamentals exist for justification, as Kent *et al.* state, “humanitarian organisations depend on the trust of those with whom they interact, whether in form of loyalty, acceptance, or otherwise, they must be able to earn that trust through action”². While characteristics such as trust play a pivotal role in gaining legitimacy, Slim emphasises they can take on a life of its own: “They can rely on image rather than reality and may not require any empirical experience to influence people one way or the other”³.

To the new managerialism corresponds a new imaginary

What Slim describes as “image” can also be termed as social imaginary, a “common understanding that makes possible common practices and a widely shared sense of legitimacy”⁴. It constitutes motives, needs, and beliefs of individuals, their feeling for what is perceived as right or wrong⁵. As such, it is a “world-forming and meaning-bestowing creative force [...] of the instituting society”⁶. The social imaginary remains not fixed. Rather, new meanings and thus new imaginaries are continually brought into existence, reproduced, displaced, or transfigured.

¹ Julia Black, “Constructing and Contesting Legitimacy and Accountability in Polycentric Regulatory Regimes”, *Regulation & Governance*, no. 2, February 2008, p. 152.

² Randolph Kent, Justin Armstrong, and Alice Obrecht, *The Future of Non-Governmental Organisations in the Humanitarian Sector*, London: Humanitarian Futures Programme, 2013, p. 30.

³ Hugo Slim, “By What Authority? The Legitimacy and Accountability of Non-Governmental Organisations”, Paper Presented at the International Meeting on Global Trends and Human Rights – before and after September 11, Geneva, 2002, www.gdrc.org/ngo/accountability/by-what-authority.html

⁴ Charles Taylor, *Modern Social Imaginaries*, Durham & London: Duke University Press, 2003, p. 23.

⁵ John Thompson, *Studies in the Theory of Ideology*, Berkeley/Los Angeles: University of California Press, 1984, p. 23.

⁶ Dilip Parameshwar Gaonkar, “Toward New Imaginaries: An Introduction”, *Public Culture* 14, no. 1, 2002, p. 6.

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Interestingly, Slim differentiates between images, as something “unreal”, and “reality”. However, one should consider that the social imaginary is embodied and manifested through practices and has real-world consequences. As point of reference for peoples beliefs and actions, it creates indeed a reality: “the central imaginary significations [...], far from being mere epiphenomena of ‘real’ forces and relations of productions, are the laces which tie a society together and the forms which define what, for a given society, is ‘real’”⁷. In that sense, the social imaginary is the ground where trust grows and orientates people of what and who they perceive as legitimate. However, it is precisely this imaginary as reference for trust in humanitarian organisations that has dramatically changed, while NGO legitimacy was under pressure from within and outside the humanitarian arena: media, think tanks, politics and donor governments. Today, it seems that an emerging imaginary of “neo-managerialism” and “humanitarian market” proliferates with far reaching consequences in the way legitimacy is addressed and generated.

For a long time NGOs enjoyed, “due to the immediacy of the need to which they respond”⁸, a high acceptance as legitimate actors in humanitarian crises. However, this acceptance has dramatically eroded since the mid-1990s. The last few years have seen a dramatic rise in the number of refugees with the spread of international crises and disasters. And the humanitarian system is increasingly criticised for the “ineffectiveness” of its interventions, and NGOs have seen themselves confronted with a crisis of legitimacy. The fundamental difficulty is of “where do NGOs take the claim for legitimacy in representing views of the poor or marginalized, given the fact that most NGOs are neither membership organisations nor elected bodies”⁹. The broad literature agrees that the erosion of trust since the 1990s in traditional humanitarian organisations has caused far reaching changes within the humanitarian arena in light of a proliferating social imaginary demanding for more “efficient” and “effective” humanitarian interventions.

When the efficiency injunction leads to a redefinition of legitimacy and accountability

Firstly, this social imaginary which “includes an increased reliance on competitive forms of market regulation” has seen operations increasingly outsourced to companies, which meet the expectations of being “efficient”, “effective” and “competent”¹⁰. Moreover, multinational companies have become important donors for humanitarian organisations, which increasingly depend on these companies for their operations. New actors have thus pushed into the sector because humanitarian organisations have been forced to access novel resources such as expertise, technologies and financial donations¹¹. In light of these emerging partnerships with for-profit companies, humanitarian settings have become imagined “as market places with aid recipients as customers with consumer rights”¹². Thus, businesses have become a dominant voice within the humanitarian arena as donors or partners, and thus as authorising environments.

Secondly, the norms and values to gain trust and justify interventions have changed associated with a new imaginary. Indeed, the broad literature agrees that today, “as part of their efforts to argue their legitimacy, all NGOs will have to be transparent about the precise nature of their

⁷ John Thompson, *Studies in the Theory of Ideology...*, op. cit.

⁸ Kent, Armstrong, and Obrecht, “The Future of Non-Governmental Organisations...”, art. cit., p. 14.

⁹ Alnoor Ebrahim, “Accountability in Practice: Mechanisms for NGOs”, *World Development* 31, no. 5, 2003, p. 815.

¹⁰ Jacob Torfing et al., *Interactive Governance: Advancing the Paradigm*, New York, Oxford University Press, 2012, p. 9.

¹¹ Randolph Kent and Joanne Burke, *Commercial and Humanitarian Engagement in Crisis Contexts: Current Trends, Future Drivers*, London: Humanitarian Futures Programme, 2012, p. 12.

¹² Juliano Fiori et al., *The Echo Chamber. Results, Management, and the Humanitarian Effectiveness Agenda*, London: The Humanitarian Affairs Team, Save the Children, 2016, p. 47.

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activism”¹³, in other words being “accountable”. Accountability is described as a process in which an organisation “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”¹⁴. In other words, organisations are kept accountable for what they say in justification of the voice with which they speak but they must prove effectiveness and account for what they have done with the resources provided. In order to be “accountable”, traditional humanitarian organisations have been pushed from the aforementioned changed authorising environments to become more rational and professional¹⁵. Consequently, a trend towards professionalization and neo-managerialism has swept the humanitarian organisations¹⁶. This process includes the adoption of business management approaches such as greater division of labour, specialisation, formalisation and standardisation of workflow¹⁷. As part of this, the language of “accountability and transparency” has become the *lingua franca* in every non-profit organisation in form of various accountability mechanisms, such as annual accountability reports and disclosure statements, performance assessments and evaluations, participation, self-regulation, social audits, and stakeholder analysis¹⁸. These various accountability tools shall allow them to meet accountability dimensions, which are linked to “real and transparent accountability mechanisms”, as Slim terms it¹⁹. However, this proliferating imaginary of neo-managerialism and humanitarian market produces the co-evolution, conflict and interference of competing interpretations of accountability within those dimensions.

Defining accountability dimensions is a crucial strategy for organisations “to construct their own legitimacy”²⁰. In that sense, accountability is “all about designing and operating practical mechanisms to make it a reality”²¹. However, “people do not all have the same power to represent their interests, they are not all equally represented, differences of opinion are not necessarily taken into account and power differentials affect the outcomes of the process”²². Thus, negotiating accountability dimensions, mechanisms and their interpretations have immense consequences on which reality – and thus legitimacy – is constructed. Put in other language; in light of a changed humanitarian arena with businesses as implementing partners and as donors for NGOs, “these multiple and sometimes competing accountabilities can become even more complicated in cases where NGOs enter into contractual relationships”, and cause even more delicate consequences on who, what, and how is perceived as legitimate²³. Those consequences will be discussed next, using the example of responsible data management in cash transfer programmes to illustrate the various consequences of negotiating complex accountability dimensions.

Negotiating accountability in cash transfer programmes

¹³ Hugo Slim, “By What Authority?...”, art. cit.

¹⁴ Ibid.

¹⁵ Gilles Carbonnier, “Reason, Emotion, Compassion: Can Altruism Survive Professionalisation in the Humanitarian Sector?”, *Disasters* 39, no. 2, 2015, p. 189-207.

¹⁶ Michael Barnett, “Transformed Humanitarianism”, *Perspectives on Politics* 3, no. 4, 2005, p. 723-740.

¹⁷ Andrea Binder and Jan Martin Witte, *Business Engagement in Humanitarian Relief: Key Trends and Policy Implications*, London: Humanitarian Policy Group, 2007, p. 6.

¹⁸ Alnoor Ebrahim, “Accountability in Practice...”, art. cit.

¹⁹ Hugo Slim, “By What Authority?...”, art. cit.

²⁰ Julia Black, “Constructing and Contesting...”, art. cit., p. 151.

²¹ Hugo Slim, “By What Authority?...”, art. cit.

²² Austen Davies, “Concerning Accountability of Humanitarian Action”, *Network Paper*, February 2007, p. 18.

²³ C. A. Meyer, *The Economics and Politics in Latin America*, London, Praeger, 1999, p. 110-115, in Alnoor Ebrahim, “The Accountability of Practice...”, art. cit., p. 815.

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Cash transfer is a proliferating form of intervention in humanitarian emergencies. In light of a dominant imaginary of neo-managerialism and a great trust in market-based approaches, cash transfers are promoted to empower people in crises situation by respecting their choices and dignity²⁴. However, in that framework, a large amount of data is collected, stored, analysed, and shared with third parties such as financial service providers²⁵. These data usually include name and surname, mobile phone number, geolocation or other phone metadata, biometrics, and ‘Know your customer’ data²⁶. Ensuring the highest possible data protection of affected people is a great responsibility for humanitarian agencies, and cash transfer programmes pose a various number of risks associated with the collection and handling of beneficiaries’ personal data. Specifically, related challenges are faced with informed consent; the multiple use of data (such as for commercial use); questions of data ownership and privacy; potentials for security breaches, and impact of new technologies such as BlockChain²⁷. The complexity of a humanitarian context, the complicated flow of data throughout a programme’s life-cycle, a lack of staff, funding or time; and the involvement of various types of organisations and agencies makes it difficult to implement a coherent responsible data management that fully addresses beneficiaries’ privacy and security of personal data²⁸. Hence, the strong trend towards scaling up cash-based programmes in humanitarian context emphasises the need for humanitarian agencies to think not only about the types of data collected, stored and shared with partners; but also what it means to be transparent and accountable in cash transfer programmes defining upwards and downwards accountability.

Upwards accountability

Firstly, upwards accountability usually refers to relationships with donors and governments²⁹. It seems an imaginary of neo-managerialism and the humanitarian market promotes the idea that humanitarian inventions are “simple commodities or services that are delivered repeatedly [which] are amenable to standardisation and are easy to monitor”³⁰. This is supported by Lindenberg and Bryant who observe that neo-managerialism techniques “entail the adoption of standard accounting practices and the production of ‘quantities of information’ ”³¹. Similarly, Shukla *et al.* criticise that hard facts, standardised numbers and comparable results have become an imperative within the upward accountability dimension to satisfy results-based management and “Payment by results” as pushed by donors³². However, this trend poses direct challenges for the basic principles of responsible data management in cash transfer programmes, specifically “the purpose limitation principle, the data minimization principle and the data quality principle”³³. Moreover, humanitarian organisations rely on data that is generated by their staff in the field and, as Davies pointedly asks: “How much room do they really have to respond to what they hear?”³⁴ Similarly, Shukla *et al.* observe that NGO participants at the field level experience

²⁴ The World Bank Group, Strategic Note. Cash Transfers in Humanitarian Contexts, Washington DC: International Bank for Reconstruction and Development/The World Bank Group, 2016.

²⁵ Al Lutz et al., Data Protection, Privacy and Security for Humanitarian & Development Programs, Geneva, World Vision International, 2017, p. 17.

²⁶ Christopher Kuner and Massimo Marelli, Handbook on Data Protection in Humanitarian Action, Geneva: International Committee of the Red Cross, 2017, p. 111.

²⁷ Ibid.

²⁸ Al Lutz et al., Data Protection, Privacy and..., op. cit., p. 10-11.

²⁹ Alnoor Ebrahim, “Accountability in Practice...”, art. cit., p. 417.

³⁰ Austen Davies, “Concerning Accountability...”, art. cit., p. 13.

³¹ Marc Lindenberg and Coralie Bryant, Going Global: Transforming Relief and Development NGOs, London: Kumarian Press, 2001, p. 212, in Susan M Roberts, John Paul Jones and Oliver Fröhling, “NGOs and the Globalisation of Managerialism: A Research Framework”, World Development 11 (33), 2005, p. 1851.

³² Anuprita Shukla, Paul Teedon, and Flora Cornish, “Empty Rituals? A Qualitative Study of Users’ Experience of Monitoring & Evaluation Systems in HIV Interventions in Western India”, Social Science and Medicine 168, November 2016, p. 7.

³³ Christopher Kuner and Massimo Marelli, Handbook on Data Protection..., op. cit., p. 111.

³⁴ Austen Davies, “Concerning Accountability...”, art. cit. p. 13.

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that donor's targets have little to do with the complexity of their real work, and hence the according accountability tools are mostly used to produce rhetoric data in demonstrating achievements³⁵. This is a crucial point for responsible data management, as there remains little opportunities to feedback on crucial aspects around responsible data management, such as the difficulty of obtaining informed consent from those individuals in crisis situation whom data is collected and shared.

Downwards accountability

Secondly, downwards accountability refers to communities and beneficiaries of aid. Specifically, it is determined “by the claims NGOs make for themselves as to whether they speak as, with, for or about oppressed people”³⁶. While downward accountability is about giving beneficiaries a voice, it is a question how this voice is represented. As Fiori *et al.* state, downwards accountability is highly influenced by the imaginary of neo-managerialism in a sense that accountability tools present affected people rather as consumers than recipients of humanitarian aid, specifically in cash transfer programmes³⁷. As consumers, they are supposed to express their preferences through accountability tools in order to evaluate and choose products. Accountability has thus become a keystone of the humanitarian market, “through which customers could express their preferences”³⁸. However, “in crisis zones there is usually no choice of provider – aid agencies have a monopoly”, a point Davies suggests to consider³⁹. Whilst representing people in need as clients seems to be a prominent way in accountability mechanisms, from a responsible data management perspective, however, there is a pressing need to remember that personal data are first of all collected from vulnerable people in need for the quick distribution of aid, and not from fully informed customers for commercial use by private entities.

Research directions

The lack of democratic legitimacy opens up opportunities for various organisations to enter the humanitarian arena and impose their own interpretation of and claim to legitimacy. A variety of organisations and people with different values, norms and interests negotiate not only relations, politics and practices of aid, but also the meaning of legitimacy. If democratic institutions do not approve an organisation's legitimacy, which values and through which mechanisms then dominate the arena?

Within this debate, researchers of humanitarian aid are invited to pose new questions about “legitimacy”. Firstly, not only what and who is legitimate in a humanitarian arena, but also where legitimacy is practically realised, and secondly how it wins its stability through practices. As these elaborations have tried to show, the practice of accountability became an important way to justify an organisation's legitimacy. The case of responsible data management in cash transfer programmes tried to illustrate how delicate the consequences of various accountability dimensions are within this context.

Studying accountability as a social practice is advocated here because power, meaning, knowledge, social institutions and transformation take place within and are parts of social

³⁵ Anuprita Shukla, Paul Teedon, and Flora Cornish, “Empty Rituals?...”, art. cit., p. 7.

³⁶ Hugo Slim, “By What Authority?...”, art. cit.

³⁷ Juliano Fiori et al., *The Echo Chamber...*, op. cit., p. 47.

³⁸ *Idem.*

³⁹ Austen Davies, “Concerning Accountability...”, art. cit., p. 12.

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practices⁴⁰. It is argued that understanding to what extent an imaginary of neo-managerialism diffuses, sediments, and prevails in different perceptions of legitimacy through the practice of accountability could significantly help to explain how people derive the power to act in the humanitarian arena.

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A PhD researcher at the Humanitarian and Conflict Response Institute at the University of Manchester. She holds a Master degree in political science and gender studies from the University of Bern, Switzerland. Within her PhD, she investigates the social practice of accountability by focusing on responsible data management in cash transfer programmes. Before starting her PhD, Isabelle worked as a research scientist in the area of gender and development at the Interdisciplinary Centre for Gender Studies at the University of Bern with a focus on programme evaluations and indicator development. She executed projects in Switzerland and Kenya on gender equality and WASH in humanitarian and developing settings by applying quantitative and qualitative methods. She has expertise in the development and application of quantitative and qualitative evaluation designs with a special focus on gender-responsive data, gender mainstreaming, quality assurance and institutional compliance.

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⁴⁰ Theodore R. Schatzki, Karin Knorr Cetina, and Eike von Savigny, *The Practical Turn in Contemporary Theory*, London and New York: Routledge, 2001, p. 11.