

**Accountability and Advocacy**  
**ISTR Conference, Toronto, 2004**

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This paper attempts to map some of the conceptual complexity associated with the interdependent use of the two concepts accountability and advocacy. We will briefly examine each term as used in the third sector, before examining their implications first within third sector organisations, and then within the larger political fields in which they are embedded. Both concepts gain particular currency within state/ third sector policy relations, but also within the wider international relationships involving multi-national governance organisations such as the United Nations and civil society organisations. Finally, we will attempt to identify some key research questions that need to be answered for a more effective use of advocacy within third sector organisations.

Accountability is the state of being called to account, that is to provide an explanation or justification for one's conduct or duties especially, but not only, for the appropriate and lawful use of finance. Few would argue that all persons and organisations should be accountable. For third sector organisations, that is for those non-government nonprofit organisations whose mission is to provide a service for the greater good the imperative of accountability is especially strong. However, behind the "motherhood" acceptance of the importance of accountability, much remains opaque. In particular, the important questions are left begging: to who is the organisation accountable, and for what? (Leat, 1990). How is this accountability to be demonstrated, and what compliance mechanisms are available and necessary to ensure that the organisation remains within its accepted zone of conduct? Put another way, who has or should have the power to enforce compliance, and if this is the state, then does such power potentially curtail the capacity of the organisation to operate autonomously?

Brown et al (2003) identify three quite different forms of accountability relationships. The principal/ agent relationship subordinates the interest of the agent to that of the Principal who has the legal, economic and perhaps moral right to demand an account from the agent. This is the typical form of bureaucratic accountability normally imposed by government (or other) funding bodies on third sector organisations. Under this form of accountability, the agent (third sector organisation) must comply with demands from the principal, but need not necessarily report to its own constituency. The terms of the accountability invariably include a financial account for the expenditure of funds provided by the principal. However, accountability demands may extend beyond this to a specification of target outputs as defined by the principal, and may be required to include the use of resources not provided by the principal. Under such an arrangement, the capacity of the organisation as agent, to operate independently, may be severely compromised. A second form of accountability relationship entails a contractual relationship, which at least theoretically assumes a mutual and equal relationship based on a specific and usually narrow set of agreed outputs. This is the ideal commercial arrangement, but does not fit easily within a third sector context. The third form of accountability relationship according to Brown et al (2003) entails a mutual relationship of equal trust, respect and influence, which involves a broad general commitment, usually based on the informal, moral suasion of peer networks. This kind of accountability is based on a commitment to shared values, flexible operations, and extensive stocks of social capital (Onyx 2000). This form of accountability lacks a formal or legal framework and is therefore open to potential abuse by an opportunistic operator.

The term 'advocacy' incorporates action taken to further the interests of particular client groups and, more directly, politically-focused activity. The latter refers to what Jenkins has described as "political advocacy" that is "any attempt to influence the decision of any institutional elite on behalf of a collective interest" (Jenkins 1987: 297). Two aspects of this definition are particularly noteworthy: first, the emphasis on private, and not just governmental, institutions as the objects of advocacy activity and second, the focus on "collective interest", on benefits that in Berry's terms, "may be shared by all people, independent of their membership or support of a given group," rather than private benefits, as the principal goal of advocacy activity (Berry 1977, 8). Within this second category the US Filer Commission (1975) identified five related

activities: “developing public policy”, “supporting minority or local interests”, “overseeing government”, “bringing sectors together” and “furthering active citizenship and altruism”.

While the concepts of accountability and advocacy are both regarded as philosophically and morally appropriate in the abstract, difficulties occur when the two are overlaid. Specifically, to whom and in what form should an advocacy organisation be accountable? What compliance mechanisms are appropriate to ensure that the performance of their mission is acceptable? More fundamentally, who defines what performance is appropriate and acceptable?

### **The Internal Governance of the Organisation**

A central question concerns the line of accountability within the organisation. This will depend partly on the structure and operating rules of the organisation. The structure may approximate a co-operative or collective structure which requires the broad involvement of many stakeholders in the organisation’s operation, and in these circumstances, lines of accountability will be broad, lateral and general. However, the prevailing corporate model of governance provides clear lines of authority, and therefore accountability, up through the structured hierarchy of paid and voluntary staff to the CEO and through him or her, to the board. The question then becomes “to whom is the board accountable?” There are several potentially conflicting answers to this question:

- The funding source, as surrogate shareholders
- The wider membership of the organisation
- The founder or owner of the organisation
- The constituency or client base that the organisation seeks to serve, a broader public
- The legal framework provided by the state

It is, of course, possible that the Board is self-appointed in perpetuity and is, in fact, accountable to no-one. It is an empirical question as to how prevalent such a situation is within the third sector, but anecdotal accounts suggest that it may be a more common scenario than we like to acknowledge. The determination of which stakeholders are likely to prevail will depend on the context in which the organisation

operates. Two issues are particularly relevant. First is the relative power of each stakeholder. Second is the process by which decisions are made within the organisation.

An advocacy organisation purports to represent the interests of a defined constituency. The issue then is the means by which that constituency has a voice. There are three potential means:

- By direct engagement in the deliberations, decision making and action of the organisation. That is by a form of participatory democracy.
- By indirect process of election and representation within forums of decision making. That is by a form of representative democracy.
- By an oligarchy of experts, or other interested people who act on behalf of the wider constituency without direct involvement of that constituency. This is at best a form of professionalized or “guided democracy”.

The accountability mechanisms with respect to the constituency/ membership will be affected by the form of decision-making. Where there is a strong culture of participation, then accountability will occur naturally, at least in theory, in that those most affected by the decision have been a part of making it, and will be immediately aware of its implementation. The issue here is one of size: the larger the active constituency, the more difficult it is for all to be equally involved in its deliberations; invariably some will become more central in influence while others will remain marginalized. Some argue that regular participation is not as important as the opportunity to participate when and if constituent members feel the need (Berry, 1977). Where there is a form of representative democracy, then the accountability rests with the election of those representing the constituency, provided that there is adequate disclosure of the action taken. Where action is taken by an oligarchy of professionalized experts, then accountability to the constituency will depend on the extent of disclosure of the actions taken, and the capacity of the constituency to respond (Berry, 1977).

Power is the other operating issue. In many cases the constituency for whom the organisation wishes to advocate is a relatively marginalized and powerless group within society. On the other hand the state is likely to be very powerful, particularly if

the state is the principal source of funding. In such a case the principal accountability of the organisation is likely to be directed towards the funding body. Such an arrangement necessarily increases the power of the funding body to determine internal policy actions of the organisation. In such a case, the funding body may impose a policy protocol on the organisation. Such a protocol may require nonprofit organisations to prove why they have a 'legitimate' claim to engage in political advocacy, and, conceivably, disqualify them from engaging in political advocacy if they do not meet certain proscribed criteria. This approach is currently being recommended by an Australian right wing think tank with funding from the Commonwealth government to undertake research to develop a trial protocol for public disclosure of NGO standing with Government. According to this approach, third sector organisations are often "self selected, unaccountable and poorly rooted in society" (Johns, 2001), interfere with the primacy of the electoral process, and therefore may potentially "destabilize democracy". For the author of this research, Gary Johns, accountability is synonymous with accountability to the state and, as such, supports calls for stricter grant conditions, more frequent and detailed reporting, and greater levels of government supervision.

### **The Larger Political Arena**

Regardless of the strength of the internal form of accountability, the fact remains that third sector organisations each represent a particular and limited set of interests. This raises the question of who has what mandate to speak for society at large, and how they may obtain such a mandate.

Arguments that third sector or civic organisations make a major contribution to the effective operation of a democratic political system appear in a broad range of literature. It is claimed that civic organisations can act as a counter-weight to state power, open up channels of communication and participation, provide organisational training grounds for ordinary citizens and promote pluralism. In this way, citizens gain the confidence to express their views and to participate in the wider political system and thereby ensure that 'weak voices' are heard in the policy process (Verba et al 1995; Putnam 1993, 1995; Lipset 1994).

On the other hand only democratically elected governments can claim a broad mandate to speak for all citizens, and then only to the extent that they have been democratically elected. They can do this (usually) on the basis of fair and properly constituted elections of all citizens. However, it is also accepted by the majority of observers that a majority vote does not ensure representation of minority interests, that an adequate mandate depends on such other issues as the adequacy of information available to voters, and that even a democratic government is subject to pressures from powerful economic interests that may be counter to the interests of the majority of the population.

These critiques centre on the inadequacies of the pluralist model of democracy. For example, Schattschneider (1983) and Walker (1966) argue that in reality political access and power are unevenly distributed in the democratic system, resulting from varying levels in education, economic resources, and political constraints. As such, the pluralist model favours established interests (McConnell 1966; Lowi 1979; Baumgartner & Leech 1998; Gray & Lowery (2000)). In other words, the “broad mandate” of an elected government and the influence of interest groups in a pluralist model should not be taken without question, let alone the mandate of a government which comes to power through other means.

This raises the question of the capacity of third sector advocacy organisations to call governments to account, and to themselves claim a mandate to represent the voice of civil society or some marginalized section of society. After all, as Sawer and Zappalà (2001) have argued, interest groups can only make a significant democratic contribution if they can demonstrate that they are more inclusive than other political institutions. We must ask: to what extent can third sector advocacy organisations claim to be truly representative and therefore the legitimate voice of civil society (Putnam 2000, 1995; Lipset 1994)? Or are they a small counter-elite, less accountable than the governments they challenge (Johns 2001)? It is on the basis of such arguments that governments can claim the right to control or ignore the particularist advocacy claims of specific third sector organisations. It is somewhat ironic that governments who challenge the right of a specific advocacy organisation to represent the voice of a civil society constituency, are also more likely to call for advice from a chosen organisation on the basis of that organisations professional expertise

concerning an issue rather than the representative nature of its decision making. At some point “expertise” as defined by the state becomes a more appropriate means of voice.

A major issue is the scope of concern of third sector organisations. Governments can claim to represent the whole population, although in fact they do not usually represent the interests of minority and marginalized interests (except for powerful economic minorities). Third sector organisations seldom claim to represent the general public, although they may do so over a specific issue such as consumer rights, or health. They are more likely to claim to speak on behalf of a limited and relatively exclusive minority (marginalized) interest, such as people with disabilities or refugees. They are likely to claim a broader mandate in terms of underlying principals of social justice, or compassion. But their immediate constituency is, nonetheless, far more limited than that which elected governments address. A clear conceptual distinction needs to be made between the limited and relatively exclusive interest of any particular third sector organisation, and the total field in which those organisations operate.

The model for such a distinction within the capitalistic economies of the north is that of the “free market”. Each small or large business has a right to compete on equal terms within a market which is open to all under the same basic terms of engagement. Competition ensures that ultimately the customer determines the viability of a single organisation. We are here making a distinction between specific advocacy and the broader field of civil society. Third sector organisations are usually formed by a few individuals who have a vision and create a third sector organisation to turn the vision into reality. In this, they are like many small businesses. The vision may come to be shared by many people and so the organisation may become very large and open to a great many citizens. Other organisations remain small, deliberately so, in order to represent the interests of a specific group of people. That means that each third sector organisation is exclusive to its own constituency; unlike the state it does not purport to represent the people as a whole. However, while the individual organisation may be exclusive in this sense, the total arena in which all third sector organisations operate is, or should be, inclusive of all who wish to operate. This is similar to the notion of a “free market”. The total field of third sector organisations together comprises civil

society. It too must be free for the achievement of the full expression of human beliefs and needs.

Such a discussion, both with respect to the “free market” and with respect to civil society, rests on an assumption of equal power. It assumes that all have equal access to resources, and the same capacity to operate and represent their interests within the wider domain. In fact, of course, power is not equal, and the playing field is not level, whether we are talking about small business or community advocacy. The large and wealthy and well connected have a greater voice than the small, the disenfranchised and the poor. There is, therefore, an inevitability that dominant interests are able to claim a wider voice. However, the solution is not to deny individual voices, or the right of individual advocacy organisations, but to provide a broad structural/ legal framework within which they may operate. It is the function of the state not to adjudicate the legitimacy of specific organisations so much as to ensure the much vaunted level playing field. What is required is a reconceptualisation of the new social commons (Ostrom, 1990). The commons refer to those resources owned and freely accessed by a large number of people. The resource is held in common for the mutual benefit of all. The commons may refer to a village green, a forest or even clean air. It can be argued that civil society creates a new commons within the current globalized framework. The collective resources are called the commons because they do not fall under private ownership, but generally are not controlled by the state. However it is essential that we develop acceptable and effective rules of engagement within the commons, rules which have the desired effect of reducing the free rider phenomena (Ostrom, 1990), curtailing the opportunist, and ensuring the potential for all voices. The “we” in this case refers both to the state, but also to multi-state, global governance organisations such as the United Nations.

**The relationship between internal accountability and external legitimacy.**

These rules of engagement must fundamentally address the issue of accountability. There will continue to be a need for the kind of principal/ agent or bureaucratic external accountability of advocacy organisations to their principal funders for the appropriate use of funds and for appropriate compliance to an agreed legal framework. However, that does not resolve the need for adequate internal accountability mechanisms within third sector organisations.

As identified earlier, the form of internal organisational accountability will depend on the form of formal and informal decision making. There may be a form of formal accountability to the Board, and through the Board to the wider membership, if indeed the Board remains answerable to that membership through some form of representative democracy. But in the case of broader participatory democracy, accountability must be of a mutual form (Brown et al, 2003) based on mutual trust, respect and moral suasion. This is difficult to formalize. Even more difficult is the form of internal accountability within an organisation managed by an oligarchy of experts, or other interested people acting on behalf of the wider constituency without direct involvement of that constituency. The question then arises, under what conditions can such an oligarchy of experts claim a mandate to speak on behalf of those who would otherwise be silenced. Trust is not enough. It is argued that such a mandate can only be justified by adopting a clear and transparent form of disclosure of policy, decisions, and actions.

What is required in all these cases is the accountability of transparency. This is a kind of communal accountability, not directed upwards to the controlling sponsor or patron, but a generalized accountability to all interested parties, including in particular the constituent community, and the organisation's clients. Many organisations are already aware of the importance of regular communications via newsletters and other publications (Berry, 1977). Most organisations now have extensive web-based information that is open to all. Such communication is public, but selective, and presumably attempts to present the actions of the organisation in a positive light. This may not be enough, as again it rests on trust of the organisation's integrity. Some form of international, neutral surveillance of the public disclosure is probably necessary, and could be part of an agreed international framework of the rules of engagement. What is clear, however, is that an advocacy organisations' legitimacy within the wider national or international context will rest at least partly on its ability to establish clear internal accountability mechanisms including to the organisations wider constituency, only then is it possible for the organisation to maintain broader legitimacy and hence effective advocacy within the wider political arena.

### **Building consensus on definitions of “stakeholder” and “performance”**

While there is a need for common rules of engagement that address the issue of accountability, the task of developing such rules is problematic. In particular, two characteristics of advocacy organisations may frustrate any attempts to set common standards. The first characteristic relates to the way the adoption of representative functions tends to create a multiplicity of stakeholders. The second characteristic is the challenge of measuring the output, and specifically the performance, of these and other nonprofit organisations. Before the rules of engagement and a model of accountability for the third sector can be developed we therefore need answers to the questions raised earlier in this paper, namely:

- To whom should advocacy organisations be accountable?
- What compliance mechanisms are appropriate to ensure that their performance is appropriate or acceptable?
- More fundamentally, who defines what performance is appropriate and acceptable?

For advocacy organisations identification of clear lines of accountability becomes difficult because their representative function adds significant breadth to their authorising or legitimating environment. (Indeed, commitment to a representative function may be the reason why some organisations seek to develop as broad a constituency and as many alliances as possible). As a result, for advocacy organisations, the notion of “stakeholder” becomes somewhat fluid and the list of possible contenders can extend well beyond donors, members or clients to include constituencies of those most marginalised in society and, conceivably, the wider public. This observation is supported by the findings of a recent survey of Australian nonprofit organisations that highlighted the diversity of groups and individuals they consider to be stakeholders and the complexity of stakeholder relationships influencing nonprofit governance, including raising the issue of whether types of accountability should vary among these multiple stakeholders (Woodward and Marshall 2004).

Another challenge is how best to measure the performance of third sector organisations. Oster has observed that the performance delivered by the nonprofit sector is usually based on the achievement of its social purposes (generally set down

in its mission statement) and the satisfaction of donors' desires to contribute to the cause that the organisation embodies (Oster 1995, p. 139-143). But as a wide range of literature has pointed out, the value created by nonprofit organisations often goes beyond its social mission and satisfying donors. These organisations may be valued by individuals as a channel for the expression of charitable aspirations (Moore 2000) or as the source of independent "intelligence" that helps to ensure informed public policies and responsive government services (Einfeld 2001). For advocacy organisations, performance measures could also include those that gauge how effectively they give voice to their constituents, perhaps based on the extent to which certain policies reflect the preferences of this constituency. To this we can also add the contributions emphasised in the literature on social capital, where nonprofit organisations' value also lies in their capacity to create and strengthen the networks of reciprocity and trust that make life enjoyable and facilitate the millions of transactions that make society function as a whole (Putnam 1993; Onyx 2000).

On the surface it appears that establishing who an organisation is accountable to, and on what basis, is an issue facing the nonprofit sector only. For for-profits revenue generated from the sale of goods and services constitutes their primary social justification and the principal value delivered by for-profit corporations is the financial return delivered to shareholders and the use value delivered to customers. Both aspects of value are reasonably well measured by the financial performance of the firm. For the government sector the principal value delivered is the achievement of the politically mandated mission of the organisation and the fulfilment of the citizens' aspirations that were more or less reliably reflected in that mandate (Moore 2000).

It seems that accountability models currently operating in the government and business sector cannot be easily carried over into the world of nonprofit organisations, and indeed the leaders of these organisations would be better served by adopting a different model altogether. But are these only definitional issues related to the notion of stakeholders and performance peculiar to the third sector?

Claims that the performance of for-profit organisations is adequately measured in terms of financial performance have been widely questioned. Since the publication of

Freeman's landmark book in 1984 a growing body of so-called 'corporate and social responsibility' (CSR) literature argues that stakeholders other than shareholders have an ownership interest in corporations, and that corporations must be legally required to be answerable to, and take into account the needs of, a broader range of constituents. (Freeman 2000; Donaldson and Preston 1995).

Thus just as the nonprofit sector has faced criticism for adhering to standards of accountability that are not in tune with wider community expectations, so too have many commercial businesses. What become clear is that the key challenge is to mobilise wider consensus as to who are stakeholders and what is acceptable in terms of performance for both business and non-profit organisations and then channelling these views into the rule-making process. Without this process any new standards developed may be deprived of broad support. Consensus within civil society is required for new standards' success because, along with legal and institutional reforms, civil society produces the overall regulatory framework for the operation of open and transparent government and business practice. Moreover, nonprofits are a collection of individual citizens and as citizens they are more likely to abide to standards if there is normative consensus that supports them. This consensus is also critical to accountability because "transparent" procedures mean little if there is no one to look in.

Given the importance of civil society in the rule-making process, third sector organisations may not only be part of the problem but part of the solution. This is because of their potential to generate social capital and contribute to building the type of civil society where debates on standards of legal and commercial behaviour can occur and a wider consensus reached. Thus, a strong civil society can lead to the creation of a model of accountability which has transparency and communication as essential features; is broadly applicable and acceptable to nonprofits, businesses and governments; which not only fulfils legal expectations, but is aligned to the expectations of the wider community; and promotes public confidence in societies' institutions and nonprofit and for profit organisations.

## **Conclusion**

Much of the above discussion appears to be more prescriptive than a dispassionate overview of empirical evidence. This is so because there is a paucity of empirical or even theoretical attention given to the issues raised here. The suggestions made here can well be turned into a series of research questions for further clarification and analysis. They include as part of a research agenda:

1. Are there advocacy organisations that depend on a form of participatory action and decision making? What forms of internal accountability do they typically adopt? What forms of external accountability do they typically adopt? What are the limiting factors to this form of operation?
2. Are there advocacy organisations that depend on a form of representational decision making? What forms of internal and external accountability do they typically adopt? What are the limiting factors?
3. Are there advocacy organisations that depend on an oligarchy of experts for their action and decision making? What forms of internal and external accountability do they typically adopt? What are the limiting factors?
4. Which of the prevailing organisational forms are more effective in representing the interests of the defined constituency within a democratic state? Which are more effective in an international arena? Under what conditions is an advocacy organisation accepted as having a “mandate to speak” within the international arena?

Until we have adequate answers to these and related questions, it is unlikely that civil society advocacy organisations will be able to meet their aspirations to be an effective voice.

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