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To Comply or Deny – or are there other Options?

A study of how Ethiopian development NGOs handle demands from their donors

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Abstract

This thesis looks at development NGOs (Non-Governmental Organisations) in the Global South and their relationship to their external environment, here limited to their foreign donors. These NGOs face many uncertainties, and a complex and unstable donor-environment is one of them. They depend on the support they get from their donors, but with the support, they also must deal with demands and expectations from these donors. There are many demands, and they can be different and sometimes also inconsistent.

Organisations in this study are Ethiopian development NGOs. To handle donors' requirements, the NGOs employ different strategies. Compliance is the most common strategy, but not the only one. The response varies according to what the demands are about and what area of an organisation's work it touches (content), who are making them (constituent), and the context of the organisation.

The analysis builds on resource dependence theory and institutional theory.

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This process has taken a lot longer than intended. At times the text has been laid to rest, but finally I will end this process that has taught me a lot – both through what I accomplished and through all the things that I didn't manage the way I had hoped to.

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Hilda Kristine Hanssen

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1 INTRODUCTION

1.1 Introduction to thesis topic

Since the 1960s when organisational theory shifted its focus from life inside organisations to see organisations as open systems dependent on their external environment, theories of how organisations adapt to this environment has been a very central part of organisational theory. Organisations depend on their environments to access financial, material and human resources, as well as for legitimacy. With dependence comes constraints and demands on the organisation from the environments. An organisation's external environment is a source of uncertainty for the organisation since elements in the environment may change their priorities, their support, and the demands they place on organisations (Scott & Davis, 2007; Thompson, 1967).

For organisations to survive, it is important to adapt in some way to their environments and the demands placed on them (Lawrence & Lorch, 1967; Thompson, 1967; Pfeffer & Salancik, 1978). The central question here is to what extent are organisations able to adapt to different and changing environments and conditions. Theorists like Thompson and Lawrence and Lorch have a fairly positive view, arguing that when environments change, organisations analyse their environment and are able to adapt their organisational structures and behaviour to contingencies in this environment (Lawrence & Lorsch, 1967; Thompson, 1967).

Can organisations adapt to almost anything the environments brings, or are there limits to this? The school of organisational ecology says it is not enough to focus only on adaptation, so they offer an alternative position focusing on selection. They argue that there are limits to how much organisations can adapt to conditions in the environment. Hannan and Freeman (1977) attributes this to what they call "structural inertia" in organisations. The pressure for inertia is created by arrangements inside organisations as well as environmental constraints that keep organisations from changing too much. When these pressures for inertia are strong, organisations will be less flexible and less able to adapt to environmental requirements. When this happens, it is more likely that we will see environmental selection processes, and this helps explain which organisational forms survive. This school makes use of evolutionary explanations when it comes to competition between organisations and

selection, saying that some forms of organisations are preferred by the environment (Hannan & Freeman, 1977, p. 929-931).

In this thesis, I look at development NGOs in the Global South and their relationship with their environments, limited here to their foreign donors, with an emphasis on the situation they face with demands being placed on them. For Southern Non-Governmental Organisations (SNGOs), foreign donors are a vital part of their external environment as they receive support to implement projects in their regions. SNGOs depend on these to a varying degree for their survival since they are neither companies producing things nor get funds from their own governments. The funding environment is competitive, and support often comes in short project cycles. These organisations face a high level of uncertainty since they never know when funding trends change. Getting and keeping donors requires an effort. Some organisations have many donors who want to support them whereas others are striving to get enough support. With the support from donors, demands and expectations for the development NGOs come along to a varying degree. To keep projects going and to pay the staff, it is important for organisations to adapt to priorities in the funding environment and handle demands placed on them (Banks, Hulme & Edwards, 2015; Ebrahim, 2005; Markowitz, 2001).

I am interested in looking at the situation of demands and expectations from donors, and how the SNGOs manage them. For this purpose, I will employ theories based on institutional theory and resource dependence theory to shed light on the situation.

Populations of organisations, like population of development NGOs, will face several different environments that may place different and inconsistent demands on them (Hannan & Freeman, 1977, p. 939). For development NGOs, there are also other actors in their environments besides donors, actors they must deal with. These can be governments at different levels, traditional authorities, and finally the local communities and the people they work for and amongst. These may place different demands on them than donors do and they also present different uncertainties for the organisations. However, the focus for this thesis is limited to the relationship between Ethiopian development NGOs and their foreign donors.

In the field of development, there are many debates on the issue of demands and conditions from donors. This study will not go into judgements of the practice of demands, nor saying what strategies work best. Rather, the interest in this study is to provide insight in how the demands are handled.

1.2 Background for choosing topic

According to Brunsson (2002, p. 1), organisations in modern societies are facing more and more demands since there is a growing number of groups that can place these demands on the organisation. And many of these demands are contradictory. This has changed the conditions for organizing.

Having worked in a Norwegian development NGO for many years, I have experienced several times how this organisation was facing changing conditions in the environment and had to work quite hard to adapt to these new conditions. Geographical and thematic focus was challenged as funding opportunities shifted. The Norwegian government could change their priorities and demands, whereas other donors and constituents expected something different from the organisation. This is hard for Norwegian NGOs to handle, but what about similar organisations in the South? In this study, I have attempted to see things from their point of view, as this is a story we do not get to hear so often. Changing conditions and conflicting demands is not unusual for them to handle. One development NGO I met in Kenya many years ago, when HIV and AIDS still was a very “hot topic” to work with, told us about how some donors required them to talk about abstinence and being faithful as the way to prevent HIV from spreading and not say anything about condoms. At the same time, they had other donors who urged them to focus on the use of condoms. Different donors with opposite expectations, and the Kenyan NGO was dependent on them all.

My interest in institutional theory regarding an organisation’s relationship to its environment, has to do with the complexity and inconsistencies that can, and often do, occur when many different demands and expectations are involved. It takes good skills to navigate in this, especially when the demands are in conflict.

Theories about organisations and their relationship with their environments are mainly concerned with public organisations or private organisations, mostly for-profit

organisations. NGOs can be placed somewhere between these two types of organisations. Due to their nature, they depend on funding from outside. There are many similarities between development NGOs in the north and the south. When I chose to study NGOs in a developing country, it was because I have an assumption that these organisations are operating under extra volatile and uncertain environments. Watkins, Swidler and Hannan (2012, p.286-287) say that these organisations face special uncertainties, partly due to the environments they operate in, their goals and the technologies, material and social, that they use. These special uncertainties are what makes these organisations distinct, is their argument. What is it like for them to adapt to and manage their environment?

There is a rich literature on organisations and how they adapt to environments, but in this literature, I found non-profit organisations, such as the organisations in this study, lacking. And when looking at the wide literature on development NGOs, I could not find much literature that covered the organisational aspects. According to Watkins et al. (2012, p. 286) debates regarding NGOs have been focusing on two main topics; do development NGOs bypass states and make them weaker, and do NGOs achieve what they promise communities. Not so much on how they work as organisations. There are exceptions, and Embrahim's book on NGOs and Organizational Change (2005), covers several of the aspects I've been interested in. However, he is focusing on systems of learning and reporting and how NGO's show resistance, while I would not limit my study only to these aspects of the donor-NGO relationship.

1.3 Thesis statement

All the development NGOs in this study have several donors coming from a range of countries, and all these donors have expectations for the NGO and requirements for supporting them.

The thesis statement for this study is:

How do development NGOs in the Global South handle demands and expectations from their donors, and what can explain their choice of strategy?

The purpose of looking into this in this thesis is threefold. I will start by finding out what sort of expectations the NGOs face. When different donors are involved, are the demands different? Or do donors, even if they come from different countries have fairly similar demands? Are the demands in line with the NGOs' own priorities? Or are the demands and expectations inconsistent with each other and with the NGO's priorities? How do these demands change over time?

Based on this my first research question is:

To what extent and in which way are development NGOs exposed to different, inconsistent and over time changing demands and expectations from their different donors?

Secondly, I would like to find out how they deal with these demands. When faced with demands and expectations, what room is there for them to manoeuvre in this situation? They can comply, they can say no, but are there also other strategies they may use? Which strategies are most and least frequently used? Are different kinds of demands met with different strategies?

Based on this, my second research question is:

What strategies and actions do development NGOs use to manage demands and expectations from their different donors?

Finally, I attempt to search for possible explanations to the NGOs' choice of strategy. Is it possible to suggest reasons for why they handle the different demands the way they do? NGOs are dependent on their foreign donors, but is degree of dependency the only possible explanation? And do they make active choices here, or do they act mainly out of habit?

Based on this, my final research question is:

What can be possible causes behind the NGOs' choice of strategies?

1.4 Theoretical foundation

The theoretical foundation for this thesis is based on institutional theory and resource dependence theory.

Institutional theory provides good insight into how organisations can be seen as legitimate. There are norms and values in the institutional environment that organisations are expected to adapt to in order to gain legitimacy. These norms and values can come through demands placed on an organisation or simply by seeming to be the right thing to do. They have become institutional rules that organisations follow since they take them for granted (Brunsson, 2002; Meyer & Rowan, 1977; Oliver, 1991).

Organisations will often have heterogenous and complex environments, and this leads to inconsistent demands and expectations from their environments. An organisation is expected to be efficient, but the institutional environments may have expectations regarding processes or structures that are hard to combine with expectations of efficiency (Brunsson, 2002).

Resource dependence theory provides explanations of how organisations depend on their environments to a varying degree for financial support and other resources. Pfeffer and Salancik (1978) discuss 3 criteria to determine dependence. Organisations may be dependent on several actors in their environment, and then they need to balance the dependencies off each other.

Organisations depend on their environment, but they are not defenceless victims (Brunsson, 2002; Pfeffer & Salancik, 1978). They can apply a range of strategies when faced with expectations from their environments. Strategies varies in how active the organisations can be when faced with pressures to conform to demands. Oliver (1991) combines institutional theory and resource dependence theory to outline 5 main categories of strategies. These strategies together with Meyer and Rowan's (1977) theory of how organisations decouple to handle different demands, will be used as analytic tools.

1.5 Terms and usage

Many of the terms I use throughout the thesis have different connotations, and they are being debated in the development discourse. Development and aid, partner or donor, requirement, condition and demands, are examples of such terms. Even though discussion around these words is important, and also highly relevant for the topic of this thesis, I have found these discussions to be beyond what is possible to include in a limited study as this is. I therefore use the terms interchangeably. When donor is used more than partner, it is for the simple reason that it has a wider reach than partner. As one of the respondents put it: “there are donors, and some of them are also partners”.

1.6 Thesis outline

The subsequent content of this thesis is organised with the following chapters:

Chapter 2: The Development Context

In this chapter I give a presentation of the development context, its complexity, about the role of NGOs in this and the special uncertainties these organisations are facing.

Chapter 3: Theory

Here I present the theoretical foundation for this thesis. The focus is on institutional and resource dependence theory before I present theories on strategies for managing institutional demands.

Chapter 4: Methodology

This study is a qualitative small-N study based on in-depth interviews. In this chapter I present and explain my choice of research design and research method. I present how interviews were planned, conducted, and analysed, and I reflect on challenges, dilemmas, and ethical aspects of the study. Finally, I discuss the thesis in light of its reliability and validity.

Chapter 5: Presentation and analysis of demands and context

In this chapter I present and analyse data from the interviews regarding their context and the demands they are facing. The organisations in the study are presented in the beginning of the chapter.

Chapter 6: Presentation and analysis of strategies used

Here I move on to present data from the interviews on strategies they make use of. In the analysis I will also see if it is possible to find reasons behind their choice of strategy.

Chapter 7: Concluding remarks

The final chapter looks at the findings from chapter 5 and 6. They will be linked with the thesis statement to see what answers they provide. The strengths and weaknesses of the study will be discussed before recommendations for future research are given.

2 THE DEVELOPMENT CONTEXT

From the 1980s until present, more funds for aid have been channelled through civil society organisations, and development non-governmental organisations in particular (Ebrahim, 2005; Lewis & Kanji, 2009; Watkins et al., 2012). These organisations receive support from foreign donors, and these donors have some requirements for the support.

To get a good understanding of the field that NGOs in this study operate in, I divide this chapter in 3 parts: first I give an introduction to the bigger development system and the place of NGOs in it. Then I move on to look at the external environment of the development NGOs, and to the Ethiopian context in particular. Finally, I end by looking at the practical situation at the grassroot level for the NGOs.

2.1 The Development Sector – Who are the parties?

The development sector is a very heterogenous field with actors such as multilateral institutions like the World bank, UN agencies; bilateral donors such as governments; private corporations, grassroots and community-based organisations in developing countries. Etc (Watkins et al., 2012). And there are Non-Governmental development-Organisations which are the focus for this thesis.

Development NGOs may differ in many aspects, such as size, structure, the focus, and approaches of their work (Lewis & Kanji, 2009). Some organisations work with operations in humanitarian crisis, others have advocacy work as their only focus, some work with development in different ways from service delivery to awareness campaigns, and there are organisations that combine approaches. They can be very specialized organisations or be a generalist organisation working with a range of programmes.

We can divide development NGOs based on origin and on what level they operate on – international, national, or local. SNGO and NNGO is a distinction commonly used in the literature, based on where they originated; Southern Based NGO (SNGO) is an organisation with their origin in the Global South, whereas a Northern Based NGO, NNGO, has its origin in an industrialised country. It can be argued that this distinction might be a bit outdated, and

the boundaries are not as clear as they perhaps were at some point (Lewis&Kanji, 2009). Still, for this thesis, it's useful to use this distinction to distinguish between NGOs like NNGOs working in a developing country (Save the Children Ethiopia, Norwegian Church Aid Afghanistan, etc) and SNGOs who work in the country of their origin.

In this thesis, the understanding of NGO is one that is seen in much of the literature: "[...] independent organization that is neither run by government nor driven by the profit motive [...]" (Lewis & Kanji, 2009, p. 2). It's a very wide definition, and even though it's possible to raise questions regarding it, it works for this thesis. Among development NGOs, the focus here has been on SNGOs whose main focus is development.

The landscape of NGOs is constantly changing. Watkins et.al. (2012, p. 291) even say that "Creating a list of active NGOs is like aiming at a moving target." since new organisations are formed, but many of them are short-lived.

2.1.1 Donors

The donors are also a very diverse group. There are multilateral donors getting their funds mostly from states. Then there's bilateral aid, normally public. Bilateral donors may be government aid agencies like NORAD, SIDA, USAID (these are the official donor agencies in Norway, Sweden and the USA). An NNGO often serves as donor to an SNGO, often having government agencies as their back donors. There are also hybrid organisations that are a partnership of private and public actors (Watkins et.al, 2012). GAVI, the Vaccine Alliance, is one example of such hybrid organisation. The aid landscape has changed a bit with new emerging donors. From being dominated by Western donors, the field now also includes 'non-rich' countries like China and Turkey on the donor-list, and there is more south-south co-operations. There are also more big private foundations like the Bill &Melinda Gates Foundation, offering funding to national NGOs (Lewis & Kanji. 2009).

2.1.2 The History of NGOs in Development

The central role that NGOs have in development today, is quite new. After WWII, aid became a part of international relations, and from the 1980s on, there was a shift of attention in the aid community from support to governments to civil society organisations. They received more attention and funding since they were seen to be more efficient than governments, more democratic and providing better local ownership to projects (Ebrahim, 2005; Lewis & Kanji, 2009; Watkins et al., 2012). Some even talk about an ‘explosion’ in aid given directly to NGOs (Watkins et al., 2012).

Towards the end of the 1990s the relationship between NNGOs and SNGOs changed. Where NNGOs earlier implemented projects themselves, they now had a much stronger focus on building partnerships with a southern organisation as the implementing part and develop the capacities of these partners. There was also an increase in direct funding of NGOs in the South from bilateral donors instead of always using NNGOs as intermediary organisation between donor agencies and organisations in the south (Lewis & Kanji, 2009).

Even though the amount of aid given to NGOs has been rising, it is still a relatively small proportion of the total amount of aid.

2.1.3 Development trends:

Development programmes has changed several times as development agencies in the north keep changing their course fairly often. The reason for these changes has to do with change in need, but also changes of policy and development thought over time. Early on there was a lot of focus on agriculture, large scale-infrastructure, and industry. Then the attention shifted to more basic needs of individuals before it moved on to topics like participation, sustainable development, and gender equity (Ebrahim, 2005). After 9/11 and the ‘war on terror’ there was a change to more securitisation of aid (Lewis&Kanji, 2009).

The discourse on development shows what is being talked about, but also the underlying assumptions of development, and this influences how organisations behave. Topics to focus on, approaches, strategies, etc are in and out of fashion, and the whole idea of development has changed and included more goals over time (Ebrahim, 2005; Watkins et al, 2012). For SNGOs, and NNGOs funding them, a discourse favouring local knowledge and local

organisations, is good for attracting support. Trends often come from the international level down to local organisations through development experts and consultants. But it can also come from the local to the international level through different kinds of exchanges/consultants visiting and learning (Ebrahim, 2005).

2.1.4 The Aid Chain

Donors in the north, having specific goals about what they want to support in a developing country, do not have any access themselves to the local population they want to support. Nor do they always have sufficient knowledge about the local context. For this they depend on other organisations closer to the intended beneficiaries, normally several tiers of organisations. In this way an aid chain is created. Donors channel funds through an International NGO or a Northern NGO, that may develop the donors' programmes and add information regarding how the programmes should be conducted. These NNGOs then find national NGOs in the chosen country to do the implementation. The chain may be longer if these national NGOs rely on local organisations to conduct the work in the local communities. How many organisational tiers an aid chain may consist of varies, but in most cases funds, goals, and designed programmes travel in this one direction from the back donors to the groups or organisations that implement them on the ground in the Global South. Intermediary organisations in this chain act as both recipients of funds and donors for the next level (Watkins et al, 2012, p. 287, 295). A donor may be an intermediary organisation whereas back donor is used for the initial funder, like Norad, USAID, etc.

Exchanges between organisations in the chain, however, are not only about funding and they do not only move in one direction. Since the donors do not have access to the local populations, they also lack access to information about the programmes. For this they rely on the implementing organisation to pass information in the reverse direction of the chain. This information should be about the progress of the project and information of how finances are spent. More important than the information itself, is that the information (if describing good projects) is a sort of symbolic capital for the donors as it gives the donor a good reputation and prestige and therefore legitimacy. So as funds travel in one direction, information, reputation, and legitimacy travels in the reverse direction. NNGOs acting as

donors receive reports from the SNGOs they support and have to provide similar reports to their donors (Ebrahim, 2005, p. 18.19; Watkins et al, 2012, p. 287, 294).

2.2 The External Environment of Developing NGOs

The external environment for development organisations is quite complex. There are a few or many foreign donors, there are national, regional and local governments and there are the stakeholders/beneficiaries on the ground. The NGOs may also be part of different collaborations with other NGOs. The organisational environment is therefore not as easy and orderly as the funding chain may suggest. Some even say: “the organisational field within which many NGOs operate is so complex that no one has yet been able to map it” (Watkins et al, 2012, p. 293).

2.2.1 Uncertainties facing development NGOs

Development NGOs face many uncertainties. In a literature review on development NGOs, the following is being said about these organisations:

NGOs and their donors are organisations and much of what is distinctive about them as organisations derives from the special uncertainties they face due to environments in which they operate, the goals they pursue and the social and material technologies they employ. (Watkins et al, 2012, p. 286-287)

Donors to the development NGOs also face much of same uncertainties as they most of the time are dependent on donors above them in the aid chain.

Developing NGOs rely heavily on their donors for funding, but donors can sometimes be both unstable and fluctuating. The funding or contracts they get with donors are often short-term funding, and donors might also withdraw before the contract period is over (Watkins et al, 2012).

What adds to the uncertainty is that the relationship between donors and the NGOs is a long-distance relationship which also includes geographical, cultural and social differences. This may cause goals to be unrealistic sometimes as the context is not always easy to understand (Watkins et al, 2012).

2.2.2 Relationship between NNGOs and SNGOs

Norad, Norwegian Agency for Development Cooperation, conducted a study in 2018, “From Donors to Partners?”. In this study they looked at the relationship between Norwegian NGOs and their southern counterparts, all NGOs, in 3 countries, one of them Ethiopia (Norad, 2018).

They found two ways of looking at partnership; an instrumental approach where organisations wanted a partner to help them implement projects, and another that saw the value of building local organisations in order to strengthen local civil society (Norad, 2018).

The content of the partnership includes building the capacity of the southern NGO. This can be on different topics and different levels; it can focus mainly on programmatic issues, programme management, programme implementation, but it can also be organisational capacity, like working with reports and how to satisfy donors’ requirements. Many SNGO’s are now strong enough with regards to organisational capacity to manage on their own, but the study found that most NGOs in the south, are not able to sustain themselves without the support from their donors (Norad, 2018).

2.2.3 Aid in the Ethiopian context:

Ethiopia has had a long history of self-help associations, but before the famines in the 1970s and 1980s, there were few formal CSOs. The Constitution from 1993 opened up the space for CSOs and the country then saw a big increase in the number of formally registered organisations after this: from 70 in 1994 to 3800 in 2009 (Norad, 2018, Annex 1, p. 6). In 2009 the government launched a new law to regulate the role of charities: *the 2009 Charities and Societies Proclamation*, commonly called the “NGO law”. There were 2 important rules in this law that had a big impact on development NGOs. The first is the ‘90/10’-rule: saying that if a charity or society receives more than 10% of their funds from a foreign source, the NGO/CSO could not engage in work related to rights issues, peace building, democracy activities, etc. More than 60% of registered organisations were affected by this rule. The other rule was the ‘70/30-rule’ saying that at least 70% of their finances had to be spent on operational activities allowing maximum 30% for administration, which contains many things: workshops, trainings, capacity building ++. A consequence of the NGO

law was that many CSOs were not able to re-register and the landscape of development NGOs ended up with mainly service-delivery organisations (Norad, 2018, Annex 1, p. 7).

Ethiopia is a big country with huge diversity in languages, religion, cultures, ethnicity, geographical and natural differences. The context for the national NGOs is therefore a fairly complex one.

2.3 Organisational challenges

2.3.1 Funding

Development NGOs are dependent on funds for their operations and there are different ways of getting funds. The NGOs may design a project or programme and approach a donor to get grants for this project. One way of doing this is by submitting proposals when big donors have calls for proposals. Here NGOs may design projects that fit into this call. When they submit a proposal, they are often in competition with many other NGOs. Another way to get funds is through contracting where they get contract payment. Bilateral donors might have their own projects and need another organisation to undertake specific parts of or roles in that project. In situations like these, the donor is the one who decides what to be done and the NGO is subcontracted by the donor to carry out the work (Ebrahim, 2005; Lewis & Kanji, 2009, p.171).

Funding from donors can be for programmes like health, education, livelihood; for single projects within these programmes; it can be core funding (for the core activities in the organisation like salaries, etc) or for building capacity in the organisation. Core funding is difficult for NGOs to get since most donors want the money to go directly to the beneficiaries, and not being spent on salaries, administrative activities, or equipment for the NGO. Donors who themselves are dependent on funding and face demands of showing results, may also be reluctant to have long time horizons of projects (Lewis & Kanji, 2009). The funding climate for NGOs is competitive, and as donors may be unstable and also withdraw, NGOs have to be on a more or less constant chase for new donors. Some donors are stable, supporting an NGO for a long period of time, whereas others come in for short projects only. Almost all NGOs have several donors, and these donors interact with several

other NGOs as well. To get new donors, many NGOs try to diversify their funding base adding other programmes and new donors. If they succeed in this, it also adds to the complexity for the NGO since new donors may often come with other demands (Watkins et al, 2012).

Funds from donors come with requirements. Some donors have very strict and detailed demands for how to do the work and what to do/not to do, whereas other donors are more hands off. USAID are known to conduct micromanagement, whereas European donors are seen as being a bit more hands off. If the donors have public support, they may have more requirements than if there are private donors (Watkins et.al., 2012). Donors might withdraw their support if there are problems with reporting or with accounting, but also for political reasons. One example that has caused a lot of the debate is a policy introduced in 2017 by the US government called “Protecting Life in Global Health Assistance”, more commonly called the anti-abortion Gag-rule. This policy stated that all foreign NGOs, in order to receive US funding, had to comply to not perform nor actively promote abortion as a method for family planning. As the US provides big funds for health programmes worldwide, and this policy was valid for all funds for health assistance, many NGOs worldwide were affected by this policy. With the new Biden-administration in place, this policy was revoked in January 2021 (USAID, 2021). Political changes and ideologies in donor countries have a big impact on the operations of local NGOs.

2.3.2 Information-sharing and professionalisation

NGOs are required to write annual budgets and workplans setting targets. They report on where they are in relation to these set targets in physical and financial progress reports. These reports are to be provided on a regular basis. NGOs can also provide narrative reports where the information is being elaborated more. Case studies, often meant for public distribution, are often testimonials produced by the NGOs and these tend to focus on success stories about individuals in the project. NGOs have a lot more data, often about things that are more context specific, but this information is not so easy to measure and fit into standardized documents. Due to this, information shared with donors is of the easy-to-measure-kind. Almost all subunits of an organisation are involved in collecting data for reports. Further funding depends on being able to meet targets and provide good information to donors on this. If an organisation can both deliver good reports on time, and

report on success stories, they help their donors build their reputation for supporting good projects since these donors must document and validate their work to their funders (Ebrahim, 2005).

NGOs have become more professional over time. This was a trend starting in the 1980s and 1990s when more international donors came in. With the influx of these donors, it was necessary for the NGOs to meet requirements regarding reporting and monitoring. Some organisations have reported on increasing levels of systematising when receiving grants.

Some of the conditionalities placed on organisations are known to cause tension between the donors and the NGOs. One cause of tension is that donors often focus on quick results, even when some problems require efforts over a long period of time (Ebrahim, 2005).

3 THEORY

3.1 Introduction:

In this chapter I will present the theoretical framework for this thesis. It is mainly based on institutional theory about demands and expectations from the external environment, and on resource dependence theory. I will start by presenting institutional theory in order to understand the context for the development NGOs. Thompson's theory of degree of complexity and stability in the organisational environment is also presented here. Together these theories will work as a background to help answer the first research question:

To what extent and in which way are development NGOs exposed to different, inconsistent and over time changing demands and expectations from their different donors?

I will then move on to presenting resource dependence theory. This theory is part of answering my 3rd research question, but it will be presented here as it also gives a background for the next part about strategies.

Oliver (1991) combined the traditions of institutional theory and resource dependence theory in a typology of strategies organisations can use when faced with demands and expectations. These strategies combined with the theory of decoupling by Meyer and Rowan (1977), all presented in the 2nd part of this chapter, will give a theoretical background when I look for answers to my 2nd research question:

What strategies and actions do development NGOs use to manage demands and expectations from their different donors?

For the 3rd research question,

What can be possible causes behind the NGOs' choice of strategies?,

theories of dependence together with insights from institutional theory will be used in trying to point out some possible explanations.

I will start by giving a brief presentation of organisational theory on organisations in relation to their environments.

3.2 Organisations and their External Environment

Early organisational theory was very much focused on internal factors in organisations. In the 1960s there was a change taking place where focus of theorists was shifted from life and behaviour inside organisations to also look at organisations in relation to what was going on outside them; that is organisations and their environment (Scott & Davis, 2007).

The new perspective saw organisations as open systems that were dependent on their environment to survive. A definition of how organisations can be seen as open systems is “Organizations are congeries of interdependent flows and activities linking shifting coalitions of participants embedded in wider material-resource and institutional environments” (Scott & Davis, 2007, p. 32). All organisations depend on other elements outside themselves and need to establish relations with them. These relations give them support through resources and acceptance and it is therefore important for organisations to adapt to the external environments (Brunsson 2002; Lawrence & Lorsch, 1967; Pfeffer & Salancik, 1978; Scott & Davis, 2007). However, the external environment also causes uncertainty for organisations since conditions in the environment may change. In the development sector this can be seen through shifting trends regarding what kind of work/projects to support, that donors may come and go, and that funds may be fluctuating, causing insecurity for the receivers of support. All of this affect organisations to a varying degree.

Organisations not only adapt to their environments, but they may be changed and formed by their environments through this. Scott and Davis (2007, p.31) argue that environments “shape, support and infiltrate organizations”. Lawrence and Lorsch with their contingency theory were also focused on environments shaping organisations in that different kinds of environments leads to different kinds of organisations (Scott & Davis, 2007, p. 108). They wanted a focus on how organisations can deal with different conditions in the environment instead of trying to find the one best way for organisations to behave, which had been the focus previously (Lawrence & Lorsch, 1967, p. 3).

Pfeffer and Salancik (1978, p. 12) say external environment is an elusive concept, it's not given facts. There are several explanations of what this system or this organisational environment is: Scott and Davis (2007, p. 19) talk about it as “[...]All those significant elements outside the organisation that influence its ability to survive and achieve its ends.”,

and Thompson (1967, p. 27) uses the term 'task environment' to talk about the elements in the environments that are relevant for organisations to achieve their goals. For the organisations in my study, their environment consists of different donors (with their back donors), other development NGOs, national, regional and local governments in Ethiopia, members and membership groups (if they are a membership organisation), local traditional leaders, and the local populations. All of these have expectations and requirements NGOs have to manage.

External environments are linked both to ensuring needed inputs, like resources, for organisations and to letting organisations find channels for their output. They can also limit organisations in their work through the constraints they put on them, and they can stop supporting an organisation if they want to (Scott & Davis, 2007; Thompson, 1967).

3.2.1 Expectations from the environment

Modern society has changed a lot by becoming more complex, and organisations experience that there are many demands imposed on them by their environments, often inconsistent demands (Brunsson, 2002; Lawrence & Lorch, 1967). Institutional theory focus on how the institutional environment has expectations for organisations. Previously, the strongest demand/expectation was that organisations were to provide good results and good products, and to be efficient in doing so. This is however not enough. Now there is an increasing expectancy that organisation should also, in their products and processes, reflect norms, values and ideologies that are considered important by their environment. Going back to the definition given of organisations as open systems, institutional theory emphasises that it is not just the material-resource environment that is important for organisations, but also the institutional environment. A product is not just a product, it also reflects norms in the society. If organisations manage to reflect these norms, they may gain legitimacy from their environment, and an organisation's legitimacy is central for them in mobilizing resources as they are seen as appropriate and desirable for their environments (Brunsson, 2002; Oliver, 1991).

There may be practices, norms or principles organisations are subjected to that they do not question and that they may not even be conscious of since they seem so natural, obvious

and good. These are ideas/practices that have become institutional rules and as Meyer and Rowan (1977) also calls them; "Rationalized myths". Organisations may adopt these rules, not as a tactic, but simply because they are taken for granted as the obvious and right thing to do (Meyer & Rowan 1977; Oliver, 1991). In the development field, accountability, sustainability, empowerment and participation are examples of such rationalized myths (Ebrahim,, 2005; Watkins et al., 2012). Such norms and expectations may be in conflict with each other, and they may not always be in line with what makes an organisation efficient (Brunsson, 2002).

Institutional theory has over time given room for the fact that the institutional environment is more heterogenous and also that there is heterogeneity in how organisations respond to these demands (Boxenbaum & Jonsson, 2008, p. 79). Different ways of responding to demands will be covered under strategies.

3.2.2 Stability and complexity

There are several variables linked to the organisational environment that influence organisations and that we can use to compare constraints on organisations, but Thompson (1967, p. 70) finds degree of stability and complexity to be the most crucial ones (based on Dill (1958)). All systems, or parts of systems, can be placed somewhere along the continuum stable to dynamic and simple to complex or heterogenous (Thompson, 1967, p. 69; Scott & Davis, 2007).

Let's look at these two variables.

A stable environment reduces uncertainty for organisations as it's easy to predict the reactions or requirements from the environment and therefore easier for the organisations to adapt to them. A dynamic environment gives more complications and more contingencies for organisations (Thompson, 1967, p 72-73). If the environment is unstable, the access to resources is unstable, and that makes it difficult for organisations to trust it, and also to make big and small decisions. It takes efforts for organisations to adapt to changes around them, and if they cannot manage to adapt to a shifting environment, they may not be able to survive (Brunsson, 2002; Pfeffer & Salancik, 1978).

The degree of stability may be caused by changing organisational trends. When trends change, demands and expectations on the organisations may change accordingly. There may be trends regarding structures, processes, ideologies and products, and the perception of what is the “right thing” to do or “the right way” to do it may be quite different at different times (Brunsson, 2002).

When it comes to the second variable, degree of complexity in environment, heterogeneous environments are more complex for organisations to handle. The more heterogeneous the environment, the more constraints (Thompson, 1967, p. 73). There are a lot of different demands organisations are expected to meet, and Brunsson (2002, p. 1) mentions this as “[...] a rising tide of frequently contradictory demands”.

Since organisations have more than one alternative for input, they are in relation to several elements of their environment. These elements in an organisation’s environment are also in relation with their own environments. We may therefore say that task environments are pluralistic as they are in network of interdependence themselves (Thompson, 1967, p. 29). In the development sector this can easily be seen in that most donor organisations have their own donors, one or many, and these back donors have their own expectations on the donor organisations, expectations that travel down the aid chain.

3.2.3 Dependence, interdependence and power

Understanding dependency in the relationship between a focal organisation and its environment is vital to understand how organisations adapt to demands from the environment. If the focal organisation is highly dependent on its environment, it will have to take into account expectations from this environment. If, however, there is a lower degree of dependence, the focal organisation may consider if the environment that places the demands is important enough to adapt to (Pfeffer & Salancik, 1978, p. 52).

Thompson (1967, p. 30) talks about how organisations are dependent on their environment: “... (1) in proportion to the organisation’s need for resources or performances which that element can provide and (2) in inverse proportion to the inability of other elements to provide the same resource or performance”. With dependence there will also be, to a

varying degree, constraints and contingencies in the relationship (Pfeffer & Salancik, 1978; Thompson, 1967).

Pfeffer and Salancik (1978, p 45-49) with their resource dependency theory build on Thompson when they list critical factors that determine the degree of dependence: The importance of the resource, degree of freedom over the allocation of resources and whether or not there are other alternatives available. The first factor touches on if the resources are considered as vital for the organisation to do its work and continue its existence, and also if there is stability or instability in the supply of the resource. The second factor is about who has a say on how the resources should be spent. Will the environment give a lot of conditions for how to use them, and in that way limit the organisation's freedom? And the third factor focuses on if it is possible for the organisation to get the same resource/support from other groups as they get from part X in their environment or if part X controls this resource.

As seen from the definition of organisations as open systems, organisations are interdependent. Dependency in the relationship between organisation and environment may be symmetric or asymmetric. Exchange between an organisation and its task environment is based on the organisation providing something that is wanted by the task environment, and the task environment in return provides input the organisation needs if it is to survive (Thompson, 1967). Symmetric dependence is when this exchange is of equal importance to both parts. In this situation, none of the parties holds power over the other. Asymmetric dependence, on the other hand, is when the relationship and exchange is not equally important to both parties and one part needs the other more. Here, power is located with the less dependent part (Pfeffer & Salancik, 1978, p. 53). This is not a constant situation, the relationship may change back and forth over time, e.g. if one part becomes more self-contained or if new actors enter the environment and changes dynamics.

For organisations in the development sector, the question of dependence is highly relevant and very often debated in order to understand their behaviour in relation to the different donors. These organisations do not produce things for sale, and they do not get financial support from their own governments. They may get some income from membership fees, support from different groups in their constituency, but most funding comes from

international donors. The NGOs themselves also contribute to their donors, and their donors depend on them for information and access to the ground, among other things. It is therefore not a given that the relationship donor-NGO is an asymmetrical relationship where the power lies on the side of the donor.

3.3 Actions and strategies for managing demands from external environment

For organisations to attract and keep support, legitimacy is important, so when faced with demands and expectations, organisations must make sure they are seen as legitimate by their environments. Institutional theory argues that legitimacy comes not only from being able to be efficient and produce good results, but also from reflecting norms and values in the institutional environment. As covered in the 1st part of this chapter, norms are many and they may be inconsistent and even conflicting.

The other central theory covered in the first part, resource dependence theory, argues that if organisations are highly dependent on their environment, they have to take into account what these environments demand of them.

Oliver (1991) combines these two perspectives in her typology of strategic responses to institutional processes. Boxenbaum and Jonsson (2008) place Oliver in what they call an agentic perspective as she argues that organisations can act in different ways when facing pressure. When exploring possible strategies NGOs may use, I will in the following build on her categories adding Meyer and Rowan's (1977) theory of decoupling.

These 5 strategies; acquiescence, compromise, avoidance and decoupling, defiance, and finally, manipulation, differ in the degree of resistance an organisation can express, from blindly or unconsciously adhering to expectations and to the last strategy where organisations are trying to change the power dynamics between themselves and their environment.

3.3.1 Acquiescence

In this strategy, organisations show no opposition or resistance to the demands placed on them. Acquiescence can take different forms; habit, imitate or comply. Habit is what happens when they go along with what is demanded of them, unconsciously, because they take the things/practices and norms for granted. They have become habits organisations follow. This is linked to Meyer and Rowan's (1977) rationalized myths. Imitating other successful organisations is another form of acquiescence or giving into pressures. The last form of acquiescence is compliance. Here organisations consciously go along with the requirements.

Motivation for choosing to acquiesce may be that organisations think there is something to gain from it, like increasing their legitimacy or they may think they will learn something that will improve their practise. Acquiescence may also happen without the organisation being conscious of it because they see the thing that is expected of them to be the right thing to do, they take them for granted (Oliver, 1991, p. 152-153).

3.3.2 Compromise

This strategy allows organisations to take their own interests more into account than if they acquiesce. They go along, more or less, with what's expected of them, but with some resistance, and Oliver (1991, p. 153) therefore calls this strategy "[...] the thin edge of the wedge in organisational resistance to insitutional pressures". When there's a situation where institutional demands are inconsistent amongst themselves or inconsistent when measured up against the organisation's own goals, an organisation may try to compromise by balancing, pacifying or bargaining. When organisations balance, they play different interests off against each other. When different constituents have different demands, adhering to one demand may mean to disregard demands from another constituent. Balancing is also important when there are inconsistencies between institutional demands and the organisation's own goals and interests. Pacifying is another tactic where organisations accept the requirements to some degree, maybe a minimum standard, while simultaneously showing a little bit of resistance. The last form of compromise, and a more active form than the foregoing, is bargaining. Organisations wants to alter the demands through bargaining to make them more acceptable for their work.

Motivation for choosing this strategy may be that they try to achieve parity among the different interests. And this strategy also enables organisations to promote their own interests more (Oliver, 1991, p. 153-154).

3.3.3 Avoidance and decoupling

Oliver's third strategy, avoidance, is used when organisations do not want to conform to institutional norms. Instead, they try to find ways around them to make conforming not necessary through concealment, buffering, and escaping. Organisations may try to conceal non-conformity and make it appear like they give in to expectations, whereas in fact they do not have plans to do this. It is only a symbolic acceptance. This tactic of concealing is also called window dressing (Oliver, 1991).

Where Oliver talks about buffering as one avoidance tactic, Meyer and Rowan (1977) developed the theory of decoupling. The central thing here is that organisations adopt structures without implementing them, and in this way, they prevent them from interfering on the practices in the organisation. They decouple structures and organisational action, and this is something that is done with intention. The reason for doing so is to manage conflicts between practices for efficiency and myths about the right things to do in the environment, and/or if there are conflicts between different requirements from the external environments, e.g. myth vs myth. By letting their production go on, undisturbed by the organisation's formal level, they can maintain their efficiency. Brunsson (2002) with his theory of hypocrisy builds on Meyer and Rowan. For organisations to satisfy different parts of their environment simultaneously, they can use talk, decisions and products as separate instruments. These instruments can be used independently "[...] to talk in a way that satisfies one demand, to decide in a way that satisfies another, and to supply products in a way that satisfies a third." (Brunsson, 2002, p. 27). By being able to satisfy several demands, organisations may get legitimacy and support.

For decoupling to work, it is important that that the work in the technical parts are not subjected to close investigation and evaluation. It rests on the logic of good faith of people who believe that things are the way they seem. When organisations decouple, they try to avoid inspections, as this might uncover things that lead to loss of legitimacy (Meyer & Rowan, 1977). Some organisations, like voluntary organisations, or non-profit organisations,

depend on having their affairs investigated in order to gain legitimacy. Decoupling their activities from inspection may cause suspicion, something that will be very damaging for their continued work (Oliver, 1991).

The final avoidance tactic is escape. Here organisations might attempt to change the organisation, its goals, and its processes in order to not having to conform

Motivation to choose to avoid conforming to pressure or to decouple, could be to attract support from different parts of their environments since many groups will have their demands satisfied. By avoiding to conform, organisations keep their autonomy to a greater extent and reduce the external interference without risking their legitimacy. And they protect the practices that ensure that they can keep their efficiency (Oliver, 1991, p. 154-156).

3.3.4 Defiance

In this strategy there is increased agency for organisations compared to the foregoing strategies. Here organisations totally reject norms and values that they're expected to conform to. Dismissing institutional pressures is one tactic. If an organisation cannot see what good conforming to these pressures would do for them, or if the pressure is quite low, they are in a situation where dismissing the demands is an option. They can also challenge or question the relevance of the norms and rules they are expected to conform to. The final defiance tactic is to attack if the pressure feels unfair. This is the most aggressive approach. Through attacking, they say that the institutional norms are not relevant or not "good enough", and they may also attack the constituents that make these demands. There's a risk of losing support by choosing to defy the pressures and the parts of the environment that put this pressure on the organisation, but organisations may choose this strategy if they feel there's little for them to lose. Motivation for defying demands, could be that organisations see that things that are important to them, may be at risk, like their autonomy, values, etc. If the gap between internal values and norms in the institutional environment is too big, defying may be seen as the best or only choice (Oliver, 1991, p. 156-157).

3.3.5 Manipulation

The final strategy Oliver puts out, and the most active of them all, is manipulation. Here organisations try to control the expectations and demands they're exposed to. They can do this through co-opting, influencing or controlling. When an organisation co-opts, they try to include someone from the institutional environment for important positions in their organisation. This may lead to increased support from this part of the environment and also to neutralize them, instead of pressure to conform. The other tactic, influence, is an attempt to make institutional standards and norms more in line with what's perceived as acceptable in the organisation. Control, as the final form of manipulation, tries to reverse the power dynamics in a situation with external demands. Power is traditionally perceived to be located in the external environment, but with this strategy organisations are trying to change this situation through dominating parts of the institutional environment. Motivation for manipulating may be that organisations want to alter the norms affecting them and make them more in line with their own norms. By manipulating, they shake the power balance a bit (Oliver, 1991, p. 157-159).

3.4 What can be possible causes behind choice of response?

There can be multiple factors explaining why organisations choose to conform or show some form of resistance. Theories presented earlier in the chapter can help shed light on this. From resource dependence theory, the degree of dependence and by that, where in the relationship between environment – organisation, or donor-NGO, is power located, can suggest what choice organisations have. With low dependency on the environment, organisations have more room to consider if they want to abide by demands they face (Pfeffer & Salancik, 1978). Complexity and stability are factors describing the context. Could it be that degree of complexity and stability can explain an organisation's choice? With a complex environment there are more contingencies that they have to take into account (Thompson, 1967). And institutional theory presented earlier can provide explanations since adapting to norms and values is so vital (Brunsson, 2002; Oliver, 1991).

Oliver (1991, p.159) brings some of these theories with her when she argues that an organisation's ability to and willingness to conform are important aspects in trying to

understand to what degree organisations conform to pressure. She lists 5 categories to explain choice of strategy: cause, constituent, content, control, and context. Cause has to do with why the demands are put on organisations. Understanding the rationale behind the demands can be part of the explanation for choice of strategy. Has it got to do with legitimacy concerns or efficiency concerns? Constituent is about who it is that places the demands on them. Organisations have a varying degree of constituents, not all with the same importance for the organisation. It is therefore of importance who is placing the demands. Content deals with what are the demands, the content of them. Important considerations here will be whether they are consistent with the organisation’s own goals or not, and if organisations risk losing their autonomy by abiding. Control is about how these demands are placed on the organisations and what sort of control follows them. There will be a varying degree of force behind them. And finally, context has to do with where these demands occur, and in what context they are exerted. Here, the context of the organisation plays a role.

3.5 Summary

In this chapter, I have given a presentation of the theoretical framework, all related to answer my 3 research questions. In the following table I have given a short summary based on theories for each question, and this will form the basis for the analysis in chapter 5 and 6.

Predicted actions:

<p>Question 1</p>	<p>Different, inconsistent and changing demands from donors</p>	<p>Institutional theory tells us that NGOs will adapt to demands from donors to get legitimacy.</p> <p>The more donors, the more demands and more complexity that organisations have to deal with.</p> <p>With unstable environments, organisations must work more to adapt to them.</p>
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Question 2	strategies and actions used to handle demands	Acquiescence: When met with demands that seem like the right thing to do, or when there is something to gain from it, NGOs will accept.
		Compromise: When organisations want to adhere more to their own priorities by showing a little resistance, and/or expectations are inconsistent, organisations may choose to compromise.
		Avoid or decouple: When organisations do not want to conform to pressures, they try to find ways around conforming. Or they conform to pressures in one way by reflecting norms but decouple structures and the organisational action to keep their production untouched.
		Defiance: When there is a big gap between the organisation's own values and the requirements or they feel treated unfairly, organisations can reject the demands.
		Manipulation: When organisations want to change the situation and take more control, they can try to manipulate the environment.
Question 3	Possible causes behind choice of strategies	When there is high degree of dependence on the environment, organisations must abide by pressures. When in need of legitimacy, organisations will adapt to demands. The categories cause, constituent, content, control, and context can provide explanations.

4 METHODOLOGY

This study is based on interviews with 12 persons working in 6 Ethiopian development NGOs.

In this chapter I will account for my choice of research design, approach and method, I explain the choices I have made and what other options I considered.

I conducted interviews in Ethiopia, and that is a context I did not know prior to my travel there. Preparing for interviews there, recruiting participants and conducting the interviews entailed some other challenges than I might have faced in a study in Norway. I will describe these processes and reflect on challenges in this situation. Some of the challenges are specific to conducting the study in a foreign culture, whereas others are more connected to my interview experience.

At the time of the interviews, I was on leave from a Norwegian NGO who acts as a donor for many organisations in Ethiopia. Some of the organisations in the study were recruited through my own organisation, and towards the end of the chapter I will share the reflections I did with regards to this dilemma. This is connected to ethical issues that I will move on to at the end of the chapter.

I will close by looking at validity, reliability and generality connected to this study.

4.1 Research design and method

4.1.1 Choice of Research design

Given my research question *How do development organisations in the Global South handle demands and expectations from their donors and what can explain their choice of strategy?* the purpose of my thesis was to get good descriptions of how development NGOs are exposed to demands and of the ways they handle them. I therefore chose a qualitative design since this is well suited to give a deeper understanding of what we are studying (Thagaard, 2011).

As my focus was the phenomenon of demands and strategies to handle these, and not a particular case, I chose to conduct a small-N-study. In these studies, the focus is on the

phenomenon more than on the context. You go more in depth in a few units, preferably with different contexts, to get a better understanding of this phenomenon. Normally the number of units are between five and ten, and with my number of 6 organisations, it can be characterized as a small-N-study. By having participants from different contexts, you get a broader perspective and richer descriptions of the topic issue since people coming from or working in different contexts are likely to have different positions on an issue and different experiences (Jacobsen, 2005, p. 106-107).

In this study I have been interested in seeing things from the point of view of the development organisations. I have used a phenomenological approach. This approach has been mixed with an interest in the factual level for some parts of my research questions. What kind of demands they face and what strategies the organisations have made use of are facts to get hold of, whereas how they see the demands, if they are different, inconsistent, and changing, is their subjective experience.

For a phenomenological approach, the interest is in the subjective experience. We understand the social phenomenon from the respondents' point of view trying to get the meaning of the research topic through descriptions of their lived worlds (Brinkmann & Kvale, 2015; Justesen & Mik-Meyer, 2010). The assumption behind trying to see things from the subjects' point of view is that "the important reality is what people perceive it to be." (Brinkmann & Kvale, 2015, p. 30). In my study it is important to find out how the interviewees understand their situation because this is decisive for their choice of strategy when handling different situations. This is relevant when trying to answer my 3rd research question. The NGOs have acted based on their understanding of their context, how they see the demands placed on them, how they view the relationship with their donors, and how much leverage they feel they have in the different situations. Donors may have a different view on this, but in this study, this was not the focus. This study has been an attempt get what the anthropologist Clifford Geertz calls «thick descriptions» on the topic of my thesis (Justesen & MikMeyer, 2010, p.26).

4.1.2 Choice of method:

Interviews:

The qualitative method used in this thesis, is individual interviews. There are several reasons why this was chosen. For me, as a totally novice researcher, my personal preferences for meeting and talking to people face to face, was one aspect. My professional network was also a decisive factor allowing me to choose interviews, as I relied on them to get access to organisations.

Personal preference and network played a part, but as Thagaard (2011) argues, the purpose of the study is a decisive factor when choosing a method. For me, I saw interviews to be best fit to get a reflection on my research topic, as the aim of the qualitative interview is to get hold of the understanding, experience, and views of the interviewee on the topic at hand (Brinkmann & Kvale, 2015; Cassell, 2009). I wanted to get the interviewees to describe freely, and for this I decided on semi-structured interviews. They allow for more freedom in the interview setting since the questions are open-ended instead of having predefined categories for answers. The questions are focused on specific themes, and they make up an interview guide with a sequence, but that sequence of questions is not so rigid. By being flexible here, the interviewer can follow the history or explanation of the respondent when something interesting comes up by asking follow-up questions, and also encourage the interviewee to speak at length around some subjects. The role of the interviewer is to help the respondent give as rich and detailed descriptions as possible of their experiences without judging whether or not it is correct (Brinkmann & Kvale, 2015; Cassell, 2009; Justesen&Mik-Meyer, 2010; Thagaard, 2011).

All the interviews were conducted face-to-face. The interaction in a face-to-face setting is quite different from if they are conducted digitally or on the phone. The body language of both the interviewer and the interviewee is easier to read in a live situation. By reading the interviewee's signals, the interviewer can change and adjust the situation through utterances and visual cues (Cassell, 2009, p.504). Being able to go to Ethiopia and conduct the interviews there, was important to me. It was much easier to create an easy atmosphere by sitting in the same room.

Other methods to individual interviews were also considered, such as combining interviews with document studies. This could have added other dimensions, especially to understand the part about demands. However, these are not documents that can be easily found. It would require that the NGOs could share their contractual agreements with me, and for that I believe they would need their donors' approval.

4.2 Collection and processing of data

4.2.1 From research questions to interview questions

I started by designing an interview guide. The questions were based on the theoretical foundation of the thesis.

The interview was structured in 4 parts; overview of funding situation, relationship to partners – including dependence, descriptions of demands and expectations, and strategies. The first two parts were included to understand the organisation and its context, functioning as background to answer the third research question. Questions were focused on numbers of donors, uncertainties in their work, and stability of funding and other support from donors. The issue of dependence was broken down into 3 questions, 1 for each of Pfeffer and Salancik's criteria (see theory chapter). The categories of complexity and stability in funding situation, was turned into questions about number of donors, the length and content of relationship to partners and duration of projects.

The third part about demands were based on research question number 1. Making good questions regarding complexity in demands, was a bit more difficult. I made questions about if there were demands, and if so, what were they. To see if they were inconsistent or conflicting, I asked how relevant the demands were for them and if they were in line with the organisation's own priorities, and if demands coming from donors were similar or different.

The fourth part on how they handled these situations with demands was to answer my second research question. In this part I focused on Oliver's 5 categories of strategies and the decoupling theory of Meyer and Rowan (1977). I did not want to use the strategies in direct questions, as this might limit the respondents in their answers. The question was therefore

very open “How do you deal with these demands?” asking them to elaborate on what they do when presented with requirements. This was changed after a couple of interviews to ask them to what extent they adapt to the demands and expectations. I wanted to get their descriptions first, and then follow up asking more concretely about situations where they could compromise, negotiate, influence, say no and so on.

The most difficult questions to make were about decoupling and avoidance. These are more sensitive issues and not something people will easily volunteer information about. What I ended up with was trying to give a description from literature about decoupling and ask if this was something they could recognize. In this way I tried to give an open description, but in most of the interviews, this did not work well.

All the participants received information about the topic of the interview and the purpose, but they were not given the questions ahead of the interview.

4.2.2 Interviewee selection and recruitment

I had two levels of criteria for who to include (and therefore also exclude) in my study; first for what kind of organisation and then for who I would talk to within the organisations. For organisations it had to be development organisations of Ethiopian origin who had several donors. This is very open and includes almost all Ethiopian development NGOs. I wanted organisations with varying characteristics to get a broad sample for my study. I wanted to talk to big and small NGOs, NGOs with a good funding base and some who struggled a bit more, many donors and few donors, generalist organisations and organisations specialized in one or two programmes. It was not important that I got all these variations, but that I got organisations with different contexts. This is in line with the characteristics of a small-N-study.

The process of finding organisations was for me a stressful and bit chaotic process with very limited time. I had a deadline for when this had to be conducted and time went by without finding anyone to interview. I had no prior knowledge of possible organisations, so I was dependent on help to find them. It turned out more difficult than I had foreseen. When country was settled, I started searching for people who might be able to help, and through a

snowball method I got hold of the first person to help me. He contacted the first organisation for me through his own network and acted as a door opener for me. Through him I was promised interviews with one NGO. With one organisation in place, I decided to travel to Ethiopia and hopefully find more organisations when there. I had planned for a stay of 3,5 weeks and thought it would give me time to get in touch with more organisations. By the time I was leaving, other friends had helped me find more organisations, and my organisation's office in Ethiopia also came to the rescue.

Knowing people with contacts in the NGO sector in Ethiopia was the key to get hold of organisations. The one who helped me get my first appointment had a good knowledge of the development field in Ethiopia. According to him, having a door opener would be important as this link would give me a stamp of approval. I was told that it would be difficult to get a reply if I contacted organisations alone. This resonated with what another student had experienced.

Recruiting through own organisation:

2 organisations were recruited without help from my own organisation, and the remaining 4 of them were recruited while in Ethiopia with the help from people at my organisation's office there. 3 were partners of my organisation and one was a former partner. I had my criteria for what I wanted to find, and colleagues in Ethiopia helped me identify who would fit these criteria. The recruitment process was a combination of colleagues there contacting the NGO and me following up with an e-mail to make appointments and share information about this project.

Selection of interviewees inside the organisations

I wanted to recruit leaders from the management team in the organisations as these are the ones deciding on strategies and the ones who are in negotiations with donors. The top leader + head of programmes + head of finance/administration were my preferences. In all organisations I got interviewees with 1 or 2 of these roles. In addition, I also got to talk to 3 programme managers (one level down from head of programmes). Who I talked to was decided in the organisations, and a couple of the interviewees were not given heads up on the interview. I therefore did not get the chance to give them the information and consent

letter ahead of the interview situation. An important aspect of participation in a study is that it is voluntary, and it is possible to raise questions as to how voluntary this was for some of them. However, all of them were informed about their right to pull out at any time.

My preference was to talk to leaders, but I saw through interviews, particularly with programme managers, that it would have been interesting to talk to more people closer to the grassroots level. Programme managers gave different response and more concrete examples for their projects and talking to people in the projects would have given even more and different information. Two organisations suggested I should go to their field offices to interview people there, but distances were long, and time was running short.

4.2.3 Interview situation

All interviews were conducted in Ethiopia, March-April 2019.

In the initial contact with the organisations, I asked where they wanted to conduct the interviews. They suggested I come to their office, and all interviews except one were conducted at the office of the respondent. The final respondent came up with the suggestion that we could meet at the office of my organisation in Addis Abeba.

The interviews lasted from 50 minutes to 1 hour and 20 minutes. In some interviews we had time for some small talk first to get acquainted. Before we started the interviews, I informed about how I would store the data, that I would anonymize them, and asked for permission to use a recorder. All of them accepted this and signed the consent forms.

I started off with a few simple questions about name, position in the organisation, how long they had worked there or in the development field before I moved on to my prepared questions. This is in line with what Thagaard (2011) suggests as a good way of setting up the interview.

I felt welcome by the respondents. Some of them gave lengthy answers and explained a lot whereas others were a bit more restrained. The interview guide was the same for all the respondents. In the first interviews I was more loyal to the guide, but after a few interviews I moved more around, still making sure that I had covered what I needed. To control my

understanding, I sometimes sent back to them what I saw to be the message and they could either confirm or not.

I ended all the interviews by asking if they had anything else to add before thanking them and explaining how I would go about with what I had found.

To help record what the interviewees said, I used a recorder as my main source, but also had my phone as a back-up. I started off taking a few notes in the beginning of the interview, but I found it too difficult to take both notes and be present in the situation.

4.2.4 Analysing the data:

All the interviews were transcribed. To begin with I transcribed every word, but as this was a lot of work, I changed the method, leaving out the things that were more on the side. In this, I started the process of interpreting. An interview provides you with oral language supplied with interaction through cues, pauses, and much more. This is then translated into another language, the written language. In translations the translator must make a lot of choices, interpreting nuances (Brinkmann & Kvale, 2015).

Not having done this before, I listened several times to the interviews before I started transcriptions, trying to make sure that I got the meaning through the conversation. I also had to return to the recordings several times. I was therefore thankful for having informed the respondents that I would keep their personal data, the recordings till I finished the project and I have also been in contact with NSD regarding this. Going through the processes of transcribing and coding, showed me how much you actually lose from the original interview.

After all the transcriptions were done, the analysis software Nvivo was used for coding the data. The codes were based first and foremost on categories from the organisational theory, but for things that did not fit into these categories, I made some other codes as well.

4.3 Challenges, positioning and ethics

4.3.1 Challenges

Conducting good research interviews is a craft. I was a novice interviewer with no practice in this when I started my journey. I will in the following outline some of the challenges I met.

Thagaard (2011) says that one weakness in interviews is if the questions are too general and abstract. This was true for a few of my questions, particularly questions to find out about decoupling. I struggled to find how I could turn this theory into questions. My solution with presenting the theory and asking if this was something they could recognise, did not work well. I ended up using too many words, and when they expressed that they did not quite get it, I used even more words to explain. It would have been good if I had worked a lot more on the operationalization of these more difficult concepts. Avoiding long and abstract questions is important in all studies, and particularly when both parties conducted the interview in a foreign language.

Language was a challenge, for both parts, and even though we might be fairly fluent in English, a foreign language is still an aspect that limits free conversation. I sometimes had problems understanding some of what they said because of their accent. To begin with this was more of a challenge than I had anticipated, and it took a little time to get used to it. It was a challenge for them as well, especially when my questions and sentences were too long. I realised that doing interviews in a situation like this, the interviewer should pay extra attention to prepare the wording of the questions.

When conducting interviews across cultures, some special considerations are needed. There may be different norms regarding how to interact, express agreement and disagreement, how to take initiative in conversations, and directness (Brinkmann & Kvale, 2015, p 168). I did not know the Ethiopian culture and did not have time to familiarise myself with it before the interviews. According to Thagaard (2011, p. 104), the social distance between the parties can be reduced when the interview is conducted in a context that the interviewer is familiar with. Even though I did not know the Ethiopian culture, I knew the NGO culture. In my case, it may have helped create a common ground. All the people I interviewed are very used to dealing with international donors. They were all also highly educated, which is something that creates a better understanding of research.

There were some practical challenges. I learned after a bad experience that it was good to transfer the recordings to the computer when back at my room. Early during one interview, the recorder ran out of batteries (having good quality batteries is essential), but luckily, I had the phone as a back-up. Shortly after interview, however, the phone was stolen before I had transferred this interview to the computer. This interview had provided good and interesting information, and I therefore asked if we could do it over again. The respondent was very helpful and understanding and squeezed me into a busy day towards the end of my stay. I wanted to build on something that was said in the first round, but recreating a situation is not easy. I did not remember the examples well enough to make the respondent elaborate on them again. I got good information this time as well, just different from the first time. To me this was an example of how we create the information together in the situation and how you cannot recreate the same thing.

4.3.2 Positioning of interviewer

In an interview situation both parts influence each other (Justesen and Mik-Meyer, 2010; Thagaard, 2011). Brinkmann and Kvale (2015) emphasize this when they say that interviews are inter-views with inter-action where we exchange views on the research topic. With this understanding we can see that both parts read each other through body language, cues, the tone of our voice, and where we show interest or not. We create a specific interaction, and in this interaction, in this situation, knowledge is created.

There are many aspects that can influence the interaction between the researcher and the respondent, and it is important to be aware of these (Thagaard, 2011). For the organisations that were partnering with my organisations, would it make a difference to the respondents that I was linked to one of their donors? Would they be sincere in their answers or say things that they thought I might expect to hear? I searched advice from researchers and practitioners from the development field here, and I was told that the fact that I came as a European would maybe create more of a distance than coming from a donor organisation.

At the time of the interview, I had been on leave from my organisation for close to 2 years, and I was also about to leave the organisation after my return from Ethiopia. Still, I had been employed there for 13 years working with communication and fundraising. Through this I had developed some knowledge about the field this had unquestionably influenced my

understanding of things. The reports we talked about in the interviews, had been of great importance for me to do my communication work. My position in the aid chain was further away from the organisations I wanted to study, but very close to some of the institutional demands connected to aid. After the interviews, I started in a new job where I am situated on the donor side asking for reports. I have also been part of platforms where questions regarding demands is highly debated.

Both these jobs have influenced my understanding through the whole process, in preparing interview, during the interview, and when analysing. In a phenomenological perspective you do not strive for neutrality, but that the research interviewer should be critical of her/his own presuppositions (Brinkmann & Kvale, 2015). I have been very aware of the bias I may have entered the field with and have constantly debated this with myself. I have had to work on the fact that my focus has not been to find out if or how demands work, I have not been there to judge the practise, but my focus was to get insight and understanding. This was something I focused on while preparing for the interviews and in the interview situation. It has been equally important to be aware of in the process of writing the data and analysing them.

Having this background has also a been an advantage, especially in the interview situation since I knew something about the things they talked about. Knowing the field is something that is often mentioned as a strength when conducting interviews (Brinkmann & Kvale, 2015; Thagaard, 2011).

4.3.3 Ethical aspects:

Informed consent and confidentiality are two major concerns in research (Brinkmann & Kvale, 2015; Thagaard, 2011). All the interviewees were therefore informed about the nature of the research, that it was a voluntary thing to contribute and how I would secure confidentiality. The recordings and the transcripts have been kept on a computer with password protection.

Recruiting through my own organisation touched on some ethical concerns as the project involved questions about relationship to their donor. I informed all organisations that had a link to my organisation of my relationship to them, but that this study was not linked to them in any way and that I would not share any information with them.

Before departure to Ethiopia, the project was approved of by NSD. Since this thesis has taken a lot longer time to finish than what was intended, I have kept extending the approval from NSD.

Ethical concerns are part of the entire process, not only in the interview situation. Transcribing the contents from an oral interview raises the question of being loyal to what the interviewees said. And in the analysis, it has been up to me to interpret information I got. In studies based on interviews, there is an asymmetry in the relation where one part controls both the interview and the interpretation (Brinkmann & Kvale, 2015).

My study is not about sensitive or personal topics, but still there was one situation that raised special concerns for me. One of the respondents gave a very interesting example of how their organisation dealt with a demand of not working with abortions, and this contained sensitive information. The consequences for the organisation in question could be damaging in relation to loss of important funds if one donor found out what had happened. Ethical principles are more important than being able to report interesting data. After the interview I have given a lot of thought to if and how I could make use of this example, and I decided I would try to find ways to include it. I have worked on making the organisation in question anonymous. Since this was 2 years ago, there have been political changes that made it easier to include the example and the practise described in the example is no longer problematic. This is explained in chapter 2. Based in this, I have included the example.

4.4 Validity, reliability and generality

Validity, reliability and generality are important criteria for research. We find them mainly in quantitative research and it has been widely debated if these terms also can be applied on qualitative research. Some scholars says that these criteria are not relevant in qualitative research, whereas others are talking about redefining these terms. What position scholars take here depends on the perspective they apply (Justesen & Mik-Meyer, 2010, p. 42). Brinkmann and Kvale (2015, p. 278) relate these concepts to the question of objectivity of knowledge and asks if it is possible for knowledge produced in interviews to be objective.

4.4.1 Reliability

This criterion says something about how trustworthy the research findings are and if they can be reproduced by others at a different time (Brinkmann & Kvale, 2015; Thagaard, 2011). Reproducibility requires neutrality and is difficult in qualitative research since the relationship between researcher and respondent plays a big part here. Another aspect that can strengthen the trustworthiness is if the researcher is transparent about the research process, by describing strategies used, methods for analysis, sampling, the theoretical platform, etc (Thagaard, 2011, p. 199).

When looking at the question of whether or not this study can be reproduced by someone else, personal characteristics like gender, age, ethnicity, language, professional background, will be different, and therefore also knowledge produced in the interview. Brinkmann and Kvale (2015) gives the example of how two persons might transcribe the same interview in different ways and also code the transcripts differently. When I did my coding, it was based on my interpretation, and others could find other patterns. For this study it is more relevant at looking at transparency. I have tried to be transparent in this study about selection processes, the making of questions, what the coding was based on, and what theory this study is based on. In presenting data from the interviews, I have tried to treat them separately from my own analysis, but since analysis is part of the whole process, it is not possible to separate these two parts completely.

4.4.2 Validity

This criterion tries to say something about the validity of the researcher's interpretations, and if we measure what we say we will. Is there a match between the findings and the context we've studied, and are the interpretations grounded (Brinkmann & Kvale, 2015; Thagaard, 2011). Again, transparency is important. By being transparent on the basis for interpretations and how we have reached this understanding, if our own position as researcher has influenced the findings, validity is strengthened (Thagaard, 2011). Interpretations are part of the whole process from thematizing, designing, interviewing, and so on (Brinkmann & Kvale, 2015).

In this study, the theoretical framework has been part of the whole process and has guided the work with the interview guide, coding and analysis. After the process of coding, I kept

going back to the recordings for some time and to the transcribed interviews. This was done to check if I had the correct understanding, cause in the coding process, I felt I lost the context sometimes. By going back to this material, I have been able to question and correct my interpretations several times. And when something was difficult to place, I checked it closely asking what this was an example of.

With regards to positioning interviewer – interviewee and interviewer – data, this was covered under 4.3.2.

4.4.3 Generalisation

Generality is a quality commonly expected from studies. Tsoukas (2009, p.285) even calls it «Craving for generality» and it deals with if the findings of the researcher can be transferred to other situations through some kind of generalisation.

There are different kinds of generalisation. For phenomenological studies, generality in the traditional understanding does not make much sense since these studies are concerned about the unique and subjective experiences (Justesen & Mik-Meyer, 2010, p 46). Tsoukas (2009, p. 289) raises the same argument for small-N studies and argues that what we can apply instead, is accumulation of knowledge. The phenomenon or concept we are studying will often not have fixed boundaries to help us define what it is. However, through multiple cases, we can see similarities between them, recognise patterns, and in this way, we widen our understanding of the issue. «Particular cases help further to specify generic concepts. To the extent this happens, accumulation of knowledge becomes possible» (Tsoukas, 2009, p. 290).

The findings in my study cannot be generalised as the context for similar organisations in other countries will be different. Since organisations adapt to the environment, the environment in countries differ, and so will the way organisations handle demands differ. However, I do believe that some of the interpretations may have similarities with other development NGOs. The purpose of this thesis has been to contribute to the accumulation of knowledge on how organisations, and particularly NGOs in a developing country, adapt to their environments.

5 Demands and the context of NGOs – Presentation and analysis

In the following two chapters I present and analyse data from my interviews.

In this chapter I present findings connected to my first research question:

“To what extent and in which way are development NGOs exposed to different, inconsistent and over time changing demands and expectations from their different donors?”.

To do this, I start with presenting what kinds of demands development NGOs are facing, and their understanding of how they are different, inconsistent and over time changing.

Research question 2 and 3 will be covered in chapter 6.

Before I get to the demands, I start by giving a presentation of the organisations interviewed and the context under which they operate with regards to funding situation, relationship to donors and the question of dependence. This context influences what actions they may take when faced with donors’ demands.

When moving on to the analysis, institutional and resource dependence theory will guide me in my interpretation of the demands and the respondents use of them.

5.1 Overview of organisations in the study

They differ in many respects: size, number of donors, how many programmes they operate in, budgets, staff++

Org 1	<p>Donors: 40+ from 10+ countries</p> <p>Staff: around 1800. Many branch offices</p> <p>Generalist organisation working with 250 projects in a range of programmes across the country.</p> <p>Funding trend: stable going up</p>	<p>This organisation has been operating for decades and is a special development unit within another big organisation. They are a well-established organisation.</p> <p>Some programmes are big with many donors, others smaller with few donors.</p> <p>Most of the funding is for single projects.</p>
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	<p>3 biggest donors support around 70% of the budget</p> <p>Other income than donors: No</p>	<p>Big variations among donors regarding size of support.</p>
Org 2	<p>Donors: 6 – from several countries. Had 10 donors previously.</p> <p>Staff: 55 (downsized from 120)</p> <p>Funding trend: decreasing funds</p> <p>Other income: No</p>	<p>This is a specialist organisation that traditionally focused on 1 topic, but they have diversified a bit within same thematic field as they have found it difficult to get support for their original area of work.</p> <p>Downsized due to dwindling resources. They say they struggle to sustain themselves and that number of grants have gone down.</p>
Org 3	<p>Donors: 13</p> <p>Staff: around 50. 2 branch offices</p> <p>Generalist/specialist: specialist – working with one specific target group on several issues</p> <p>Funding trend: increasing funds</p> <p>Funding: 2 major donors contribute around 50% of budget</p> <p>Other income: No</p>	<p>This organisation is 15 years old.</p> <p>Increased from 6 to 13 donors the past 5+ years and have doubled the budget. 2 main donors have left in this period, 3-5 projects ended, but new donors and projects have come in.</p> <p>Now they have more donors coming in, even donors they did not know approach them to work together. Existing donors have also increased their funds. The topic they are working on has come high on the development agenda these past couple of years.</p>

Org 4	<p>Donors: 4</p> <p>Staff: 50+ (up from 10 some 7-8 years ago) + 100 volunteers. 7 offices</p> <p>Generalist/specialist: started with one topic.</p> <p>Funding trend: fluctuating, but mainly increasing.</p> <p>Other income: a little from income generating activities</p>	<p>This organisation works mainly in one region and within one thematic programme. They started with one topic but has expanded with more topics within this main programme. They have widened their geographical focus the past 7-8 years and have more branch offices today than some years back. The staff has also increased.</p> <p>Funds are fluctuating. In 2017 – 6 mill birr, 2018 – 11 mill, 2019 - down to 6 again due to one major donor who moved projects to another region. The trend for some time is still increasing funds.</p>
Org 5	<p>Donors: around 10 from several countries</p> <p>Staff: about 150 in 8-9 offices (up from 3 offices 10 years ago)</p> <p>Generalist/specialist: general</p> <p>Funding trends: big variations, but major trend is increasing funds</p> <p>Funding: donors' contribution varies from 300 000 – 80 million birr. 4-5 donors are considered main donors.</p> <p>Other income: No</p>	<p>This organisation only works in 1 region. They have 4 different programme sectors, and they also do emergency work.</p> <p>The number of staff and funds they get varies a lot from year to year, depending on whether or not there are any emergency operations.</p> <p>They take part in many calls for proposals, and win many, they say. They do not fear for the funding situation. They describe themselves as a donor-driven organisation.</p>
Org 6	<p>Donors: 3 (down from 10 around 10 years ago)</p> <p>Staff: 140 (down from 3-400)</p>	<p>This organisation was started about 30 years ago. They used to be a big organisation and donors came to them to partner, so funding was not a problem. During the past 10 years they have had to downsize a lot. Their main donor has been with</p>

	<p>Generalist/specialist: specialist – started with one topic. Has diversified more.</p> <p>Funding trends: going down</p> <p>Funding: the main donor provides close to 70% of budget</p> <p>Other income: No</p>	<p>them for a long time and the other 2 are fairly new to them. Have found it hard to get new donors and also keep the current donors.</p> <p>For a long time they were only focusing on 1 topic, but they added another topic that was a bit related to their portfolio some years back. Are looking at diversifying programmes even more.</p>
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Who are the donors?

Donors that the NGOs in this thesis deal with, are European and American organisations, and most of them are NGOs themselves. Almost all donors come with funding from back donors. Some organisations with many donors may have several from one country, and therefore the same back donor for some of their donors.

5.2 The context of the organisations in the study:

5.2.1 The funding situation:

The general funding trends are different among the organisations in the study. 4 of them have seen funds growing the past 5-10 years, whereas 2 of them have seen funds going down.

Some respondents talk about a changed funding situation. Earlier they used to get longer term funding that included strategic grants, funds they were free to use in the way they saw best fit, but now they see that the grants are more for itemized projects. As one respondent puts it, this causes high staff-turnover as trained personnel must leave when a project is finished and if they get new projects, they must recruit new staff. For 2 organisations, who are also involved in emergency operations, funds may fluctuate more.

The respondents say that there is insecurity in their funding situation since donors may come and go, but some also claim that this is normal as they are used to finding new ones.

One organisation said that when it comes to stability in funding, you cannot predict at all since donors may give you support this year and next year stop, also for reasons beyond the control of the donor organisation. One of their donors supported a project in many sites across the country, but then they downsized to only one site and the NGO had to shut down sites and let staff go. (6c) In the interview they were mainly asked about funding for the entire organisation, but some also gave examples of changes at programme level. One of them mentioned one programme that lost several donors, leaving that programme with only 2 donors, whereas another increased from 2 to 5. The organisation as a whole did not see a decrease. 2 programme managers said they face big changes and the changing strategies on the donor side makes them fear for the funding for their specific programme. When there is an increase in funds, organisations expand their implementation areas, and when there is a decrease, they keep some projects, but not all.

5.2.2 Duration partnerships and projects

The respondents tell about different kinds of partnerships and also a big variation in how long they last. Most NGOs have donors that have been with them for a long time, but the support may have changed over the years. They also tell about short partnerships (maybe less than a year). As one of the respondents said: “You may see new name in our partner list every year.” In 2018 they had one donor coming with 10 million birr (250 000USD) for a short term project, and they did not expect to see them in the partner list for 2020. “Just when they come, we will work with them, and when they go, we replace them with another donor”. One organisation says that some of their traditional donors have been with them for a long time, but that their support is either declining or at the same level as 10 years ago, at the same time as the costs and needs increase.

The time span for how long the NGOs can get funding for a project is from 1-5 years according to the organisations. Most of them mention 3 years as the common project length, some respondents have 1 year-projects, and they may also see up to 5 years or even 7 years. They can also negotiate to have a project extended to a 2nd phase. One organisation mentions 3 year-projects where they have to renew their application every year in addition to providing a yearly report about the results.

Organisations compete for grants of differing lengths. Organisation 2 says that you have to get money, so they compete even for short grants, 6 months. Sometimes the donor continues the support and sometimes they do not. This organisation says the donors sometimes make their support year by year because the donors themselves are not sure of their own funding for the coming years. Another organisation says they might be approached by donors asking them to do projects for the last 6 months of the year because they have money available. If it's within what the NGO already does, they take it on.

Several of the respondents working with programmes mention that for projects where the goal is change of behaviour, it takes long time to effect change, and short-term funding like they often get, 2-3 years, is not enough.

5.2.3 Donors change strategies

In the interviews, respondents give examples of how their donors change strategies and priorities and how this affects them. They mention hiv/aids and polio as 2 topics where they see a big change in funding. Regarding hiv/aids one respondent says about the situation some years ago: "There were a number of donors, the government focused, everything. Everyone was supporting." The prevalence of hiv has since gone down, but the problem is still there, as the respondent says, only they are not getting funding for it anymore. The support has shifted to other health topics. This affected another of the organisations working with hiv/aids. They saw many donors leave, had to downsize, and therefore tried adding another health topic to both answer local needs and to attract more funding.

Organisation 5, working in one geographical area but with wide thematic priorities, does not express much worry with this shift in priorities from the donors' side. When one topic goes, another comes, they say, since there are many other priorities in the communities that they can work with. Another organisation lost one donor when this decided to shift from working on health in communities to health facilities.

There are examples of both sudden and planned shifts from the donor side. One programme manager said that they try to adapt according to donors' changes. Normally they are notified well in advance if the donors are working on new strategies, maybe 1 year before, but some also give less than 1 years notice and then it's hard to adapt if it's more than a slight change. One organisation had had been told by the donor that the new project

they started in 2018 would last for 5 years, but after 3 months the donor made a strategic shift and said they would only continue for 2-3 months.

5.2.4 Dependence:

When investigating the degree of dependence, it is useful to look at Pfeffer and Salancik's (1978) 3 factors: the importance of the resource, freedom over allocation of resources and whether or not there are other alternatives available.

Importance of resource

All the 6 organisations in this study say that external donors contribute with 80%-100% of their budget. One of the organisations manages to generate some income from other activities (up to 20%), one mentions that the beneficiaries also contribute their share and so in that respect they are not totally donor dependent, but the majority of them say that they do not have any other source of income and a couple of them call themselves donor dependent and donor-driven. One of the interviewees says that without the donor support, many people will suffer.

Freedom over allocation of resources:

Respondents explain that the degree of freedom NGOs have is connected to the proposals they submit and under what circumstances they are developed, and the degree of freedom also changes at some stage in the process. One respondent explains that if the donors bring the proposals themselves, things are pretty set and there is not much chance to alter the budget. They can negotiate to have the budget modified a bit since they know the situation on the ground better. At other times, donors may give them total freedom to develop their own proposals which allows them to put anything they like in the budget. The respondent says this second option is better for them as it gives more freedom and since they are the ones who know where they need funding. When they write the proposals themselves, they include their needs for support costs as well. When the proposal has been submitted and approved by the donor, there is not so much flexibility. If changes need to be made, the donors need to be notified. One organisation says that some of their donors lets them revise the projects and make some changes from 0-25%.

Other funding alternatives

The NGOs express variations in how dependent they are on their current donors. Some organisations say that it is hard to get access to new donors or new funds. For one of these organisations, their main donor is very important for them as this donor is paying for most of the budget + office facilities, cars, etc – things that it is difficult to get funding for. This is also the donor they go to when difficulties appear. Now they see that this donor is becoming more critical, and if this donor was to cut support for house rent, they will be in danger. They see it as an indication that they should get more alternatives for funding.

For some of the other NGOs, the situation is a bit more relaxed, and they say they do not have a funding shortage since they manage to access new donor funding. As organisation 5 say, they have not feared for funding since they win most of the proposals they take part in, but that this also means that they are donor-driven since they are following these proposals most of the time. “Our existence depends on donors, but so far, not any problems in accessing donor funding.” Another organisation was also optimistic since they see new donors coming and want to partner with them.

Contents of partnership, interdependence and power

All organisations say they that their relationship with their international donors contains financial support, and that besides this some donors contribute with more, such as giving the NGOs access to networks, technical support on certain “issues” like IT-systems++; some donors support capacity building within the organisation as part of the project, and staff are invited for trainings. One respondent says support for capacity building is highly required when there are gaps to be filled in the NGO. Donors can also help them in their approaches, like challenge the governments when they do not have the knowledge of advocacy themselves. Another organisation was happy they could get access to good quality materials made by the donors, things the NGOs themselves would not be able to make.

When asked about their contribution to their donors, all the organisations are very conscious about their own contribution. They describe this as helping their donors achieve their goals. As one respondent says, the donors are also under pressure to show results in different fields, and they need to spend the money, cause they have also gotten this money

to do certain things. The donors and the NGOs have a common mission and work for a common goal. The donors have the will and the funds to help people, and the local organisations implement for the benefit of the people since they have access to the communities and know the local context. It would be difficult for the donors to do this by themselves. The NGOs see themselves as liaisons between the donors and the beneficiaries. “Most of the things are done by us”, one of them said. Some NGOs also mention how donors through partnership with them learn things, and that they can test different strategies and approaches that they can bring to other places they work.

“We understand that we are serving on mutual ground. No superior, inferior.” One respondent said, and continued “Some partners share this understanding, whereas there are only a few who do not understand this.”.

There are also stories of power imbalance and how this may look. One of the respondents who have worked in the field for a long time says there has been a shift here from more donor-recipient relationship where the donors used to tell them what to do, but that in current times, that has changed. Now there is more partnership where both parties have a say.

Because of a shift in funding priorities, one of the NGOs say they will be talking to donors from a different position, a position of strength and not weakness since more donors want to work with them. From only answering calls for proposals and listen to what donors want them to do, they see that they have the opportunity to be in dialogue with donors and tell them about what they want to do. They recently had an experience where the donor had asked them to take on a project, but the NGO found this to be too far from their own priorities and therefore they said no. The donor seemed taken aback by this since it was a significant amount of money. When the NGO reflected on this, they had the feeling that since they are a local organisation and need money, the donor had expected them to take whatever came down the pipeline. This NGO is very much aware of not being so dependent that they take whatever they can get and let their mission drift.

5.3 Examples of requirements from donors:

5.3.1 Reporting

There are 2 main reports that NGOs are required to submit to donors; financial reports and narrative reports where they report about the progress in the programmatic work. Donors have their own templates for reporting and the NGOs are required to use these.

For the narrative reports, they say that what the donors expect differs; some want to see the results achieved in %, some want success stories, some want a narration of what has taken place and how far you've reached, some can accept case studies instead of success stories if the project is short-lived. One respondent mentions having to prepare at least quarterly case-studies, or preferably success stories for their donor. They could also be asked to provide stories about best practise or lessons learned: «They ask a lot of things [...]. Most donors they really want to have success stories, they are so eager for this» .

5.3.2 Policies

Policies and guidelines on a number of issues are among the first things a donor will ask for. These organisations are required to have their own policies on procurement, HR, strategy plan, management, financial management, accounting, policies on child protection, human rights, gender, policies for transparency, on property, etc. Like one respondent puts it: « you know, some of the donors are asking all kinds of manuals and policy documents».

Among all the policies they are required to have, requirements regarding procurement was one of the most commonly mentioned requirements. They need to collect some price quotations when purchases for the donors' money exceeds a certain level. Another restriction can be which companies they are allowed to buy from, as one of the respondents tells: «... a few years ago we had a project from USAID. One of their terms said: You cannot buy fuel from Oil Libya. [...] There are detailed limits where to buy. They restrict the countries and the companies.». Oil Libya, which they are restricted from using, is one of the biggest fuel companies in Ethiopia.

5.3.3 Financial requirements

The respondents mention many different kinds of financial requirements; how to do the financial reporting, audits, the financial capacity of the NGO, time limitations for when funds should've been spent, etc. The issue of how much money could be spent on administration is an important issue for most of the NGOs interviewed.

All the organisations says that formats for financial reporting differ from donor to donor and that some donors want more details than others. When the formats differ, they have to work on them individually. Another thing that differs is the frequency of reports. How and when to do the reporting is stipulated in the cooperative agreement that the NGOs have with most partners.

The financial reporting is something mentioned by many as time demanding and challenging:

We suffer with a very small project that provides 23000 Euro, but really, they require work from us that is far bigger than partners who contribute 20 million Euros. They want every receipt, every invoice to be scanned and sent to them, they require us to give them every contractual arrangement with people involved in the project. We suffer a lot.

Who is to do the auditing is another requirement. One NGO mentions a change in this from 2018, because that was the first time the donor did not let the NGO hire auditors themselves, but appointed auditors for the NGO.

5.3.4 Programme requirements

One respondent said that donors normally do not interfere with programme issues, that the requirements most of all focus on financial issues and how they use the funds. There are however examples of requirements regarding the programmatic work.

A donor may ask the NGO to take their work to a new geographical area and they may also ask the NGOs to either include certain target groups and topics or to totally avoid some topics. Abortions is an example of a topic a couple of respondents mention. Donors have made requirements for them to avoid due to the anti-abortion gag rule from the US. For

target groups, gender balance may be a requirement, and this may go for both who should get support and who should be employed in the project.

5.4 Stability and Complexity

5.4.1 Changing demands

Respondents give different accounts about demands changing. One says that they do not change much. Only when new donors come in. Others think that the demands and requirements are changing, that donors who were not so concerned with reporting requirements 10 years ago, are now making these same requirements, both financial and others. Even a long-time partner is described as becoming more critical and wants more detailed financial reporting. Donors change their reporting requirements, particularly the formats they use, but one respondent says that they do not change very often.

5.4.2 Complexity – «It differs from partner to partner»

All the NGOs who participated in the interviews have several partners coming from different countries, meaning that there are different back donors. The amount of support from the different donors varies a lot. They tell about donors supporting only one project and others supporting several projects.

Most organisations mention that some donors are very strict whereas others are not so strict.

Conflicting or similar demands?

One organisation says that they have 4-5 projects within the same thematic field. The projects may be in different towns, but the activities are the same. Each of these projects have a different donor with different expectations, different requirements, and different indicators for measuring impact. They all require their own individual reports although the activities are very similar, and the NGO says this is too much for them and that they cannot continue like this. They need some uniform indicators, and uniform strategies. The same message came from another organisation; they had a strong desire that donors can come together and make uniform requirements so that it may reduce the burden on the NGO,

because everything is different according to this respondent: the PME tools, the deadlines, the reporting formats, the feedback you get.

One area with conflicting interest, mentioned by several organisations, is the administrative capacity that is expected of the NGOs compared to the support they get to cover these expenses. One respondent says some donors require much and are also willing to contribute to building the needed capacity in the organisation. This is good, the respondent says, and on the other hand it is a problem when some donors only require but are unwilling to contribute. One example given was they are expected to have all kinds of policies, but that hardly any donor will support the work of developing them. One of them said regarding the administrative capacities: “We are satisfying donors’ requirements at the cost of our personnel. We have to work extra to meet the partners’ requirements.”. It needs extra efforts for the NGOs, is the message from several of the respondents. To meet all the requirements, they may have to do manual work to gather the information needed since their systems are not capable to meet all the requirements. According to some informants, core funding was something they could get earlier, but now it was difficult.

Degree of complexity in the reporting:

All NGOs talk about donors who have their own reporting formats that the NGOs are required to use. If you have 5 donors, there may be 5 different formats. This is particularly true for the financial reports. The frequencies of the reports are equally different. It varies from monthly up to annually. The most common is quarterly and semi-annual reports. One organisation mentioned that for their 13-14 donors, they had a variation on annually, semi-annually, quarterly, per 4 months and they even had one donor who had wanted monthly reports in a short project.

The deadlines for the reports may also differ since organisations have different financial periods; one may start in July and finish in June, another starts in January and ends in December, whereas a third starts in May. Some donors may require an audit report before the audit has been conducted, which means that they have to do separate work for that donor to comply to that deadline. All organisations mentioned that different deadlines sometimes cause trouble for the NGOs.

When they have to prepare reports every 3 months for some and every 4 months for others, they say it is very different and a new job that has to be done for each of the donors. Also for auditing there are variations between donors: some demand independent auditing for each project whereas others are ok with just receiving the organisational audit. “These are very friendly ones”, the respondent says about these donors. Another respondent says that they have some donors that allow them to use whatever format the NGO itself finds suitable.

When asked if the demands from different donors are similar, inconsistent or even conflicting, one respondent working with many donors, says they are not as such conflicting since the demands are fairly staple demands, but there are varieties for reporting both for financial and also sometimes for narrative reporting in how they report on the results.

Programmes and results:

In the interviews, some of the NGOs told about what their own interest was with regards to what programmes they want to work on. How much they manage to stick to these when donors approach them with their plans, differs a lot. When asked about whether the donors’ interests are in line with or in conflict with the NGO’s goals, one respondent replied: «Because of the funds you have to work with that, but your own interest is in another area».

Organisations may experience a high degree of conflicting interest when it comes to what topics donors want to support. They may have donors who forbid them working with abortions at the same time as other donors specifically may want them to work on safe abortions.

How they measure results is something some respondents mentions as varying between donors and also over time. Reporting can be on output, outcome or impact level, and what is required has changed over time according to one of them. An example was given: if an organisation works on supplying water to communities, some donors will be asking the NGO to develop 10 springs and are concerned about the number the NGO should achieve, but others may not be interested in the number of springs or how many people have gotten access to water, but what impact these springs have on people’s lives – how has their health condition improved, has this had positive results on livelihood, etc. Previously, according to one informant, it would be okay to say that you have trained 20 beneficiaries on a topic, but

today donors won't accept that as a report, they want at least outcome level, like what happened with the target community after the training.

One respondent raised the issue of donors expecting results after short term projects. When asked about requirements of quick results combined with high quality in projects, the respondent says that sometimes this is naive and gives an example: if there is a 1 year-project for 50 000USD, donors expect results after just one year also for projects targeting practices that takes a long time to change.

5.5 Analysis:

When reading southern development NGOs into the definition of organisations as open systems, it is very easy to see that they are part of shifting coalitions as their donors change, and when they change, there is also often a change of back donors. It is easy to focus on the material-resource environment because funding is such a central part, but this material-resource side is tightly linked to the institutional environment setting norms organisations should adapt to.

Shifting trends, shifting funding opportunities and complexity in their environment contribute to the organisations' uncertainty.

5.5.1 Complexity and stability

If we start by looking at their funding situation in light of Thompson's (1967) 2 categories, stability and complexity, we can see that the external funding environment of these organisations is both complex and dynamic. They experienced big variations from year to year even though the trend might be stable going up. There were stories of opening more offices, but also closing down and letting staff go, only to recruit again when they got a new donor. Respondents told about trends in the development sector that influences access to funds. Trends change regarding what topics to support, and for 2 of the organisations this change was for the worse. Another organisation saw that trends were now favourable for them which meant that saw new opportunities to plan and work in a different way.

When looking at stability in funding, it may be different depending on what organisational level we look at. There may be stability in the funding for the entire organisation, but at the programme level, it might be different (decline or increase) since donors shift between programmes. And there may be stability for one of the NGO's programmes, but for the organisation as a whole, there may be a decline.

Thompson (1967) argues that stable environments are easier for organisations to handle than dynamic environments. With stability it is easier to predict how the donors will behave and what they require. The organisations told about having a mix of stable and shifting donors. They all had donors who had been with them from very early on and having the stable donors that knew their organisation well, meant a lot. One example of how important this is, was one organisation with 3 donors. Their main donor had been with them for so long and was the one they could go to when in difficult situations with other donors. One of the respondents saw this stability being threatened when this donor started to ask more critical questions and placed more detailed demands on them. This made this respondent fear for what might happen.

Operating in an unstable environment was the norm for them and they expressed that if they lost one donor, they worked to get a new one. For some of the organisations this did not sound as too big an obstacle. In this way, instability in funding relations is a fairly stable situation for them since losing and getting new donors is the norm.

There is also a high degree of complexity in their situation, particularly for the organisations with many donors. With a more complex environment, there are more constraints (Thompson, 1967). One organisation with 40 donors see donors who vary a lot with regards to the size of the support and how many projects they support. Their demands are different and one small donor required a lot more work with reporting than other big donors. With many donors, there are many back donors, and many different demands since requirements from one government is different from other governments. That was one of the explanations mentioned for why it is so difficult to consolidate demands.

5.5.2 Dependence

Based on Pfeffer and Salancik's (1978) 3 criteria for dependence, all organisations are dependent on foreign donors, but some are better off and can find other alternatives if one donor leaves. They can therefore be more free in their relationships.

For all the organisations in the study, the support they get from their international donors is very important since there are no other ways of getting support. The material support is important, but also other kinds of help they could get from their donors. When looking at freedom in allocation over resources it varies a bit more. This depends on what sort of contract they have. They tell about some freedom to modify budgets if the donor is informed. It is possible raise the question if it really is freedom over allocation if you need to inform the donor and get their approval. Some of them said that earlier they had core funding which they were allowed to use where they say best fit. For the 3rd criteria of possible alternatives to the support they get now, there is big difference between the organisations. One of them win many proposals they take part in, and others struggle to get new projects and donors. A shift in power balance between the NGO and the donor can come if an organisation finds that they have become more/less popular among the donors.

From this I will argue that all the NGOs are dependent on their current donors, but some are more dependent than others and therefore they see a more asymmetric relation.

5.5.3 Demands

Institutional theory point to the fact that it is not good enough to just show good results or a good product, but these products should also reflect the norms of the institutional environment (Brunsson, 2002; Oliver, 1991). Looking at the demands placed on the NGOs up against institutional theory, we can see how institutional norms are highly present. In the development field, values like accountability, transparency, participation, and sustainability are very high on the agenda. All the requirements for detailed reports can be seen as an attempt to show accountability. Financial reports and demands linked to procurement are also an attempt to make sure the use of funds is transparent. Many of the policies they are required to have, like child protection, human rights and gender policy are tightly linked to values and norms in the institutional environment and projects should reflect these norms. It would be hard for an NGO not to show that they take for example gender equality or

protection of children into consideration when planning and conducting a project, no matter how good results the project could demonstrate. Reports and deadlines can also be seen in the light of demonstrating efficiency, which is of high value in the development sector as there is an expectancy to show results.

How different, inconsistent and over time changing are these demands? Again, going back to Thompson's (1967) categories of complexity and stability, they told about things differing much between the donors. The changes they saw over time was that there were more demands and that these had become more detailed. They have also experienced that donors want more specific target groups than before. In the health programme, they could work with the general population in communities, but then donors wanted more specific target groups, and this requires more effort for planning, statistics, etc. So, there are changes even though this was not what they focused on the most.

With regards to demands being different and/or inconsistent, we can see that there are fairly similar demands in many cases, but that how to adapt to them will vary. All donors require reports, but the formats they want the NGOs to use and the type of reporting (narrative, case studies, success stories) are different. It therefore takes efforts for the NGOs to adapt to these different demands, and the same goes for meeting different deadlines when there are different frequencies. One inconsistency that they were very concerned about was the expectations from donors of high administrative capacity and that they would be able to meet all these demands without much support in to keep administration costs low. Some demands were inconsistent with their own priorities, and some, like with the example of abortions were directly in conflict. This example will be covered in chapter 6.

To answer research question 1, it can be argued that the demands NGOs are exposed to are both different, some are inconsistent and that there are examples of them changing over time to become more detailed and stricter.

I will now move on to looking at how organisations deal with these demands and suggest reasons for what is behind their choice of strategy. In the analysis of question 2 and 3, findings from this chapter about dependence, complexity and stability will play a role.

6 Strategies to manage demands

In the previous chapter I presented and analysed data on what demands development NGOs are facing. This chapter will be focused on research question 2 and 3:

What strategies and actions do development NGOs use to manage demands and expectations from their different donors?

What can be possible causes behind the NGOs' choice of strategies?

I start out by presenting data for the strategies they talked about. The structure of the presentation is based on strategies by Oliver (1991) and Meyer and Rowan (1977), presented in chapter 3.

In the interviews, while describing how they had handled different situations, the interviewees sometimes said something about why they had acted in a certain way. Where natural in the presentation, I handle research question 2 and 3 together.

When moving on to the analysis, I start by looking at one strategy at the time, focusing on research question 2. I end the analysis by seeing if it is possible to find the reasons for why they have handled situations the way they have.

I bring the findings from chapter 5 into the analysis here.

6.1 Presentation of strategies used when facing demands

6.1.1 Acquiescence

All the 12 respondents talked about how they have to comply to requirements from donors. When it comes to reporting, be it formats for reporting, deadlines, or frequency, they say they must comply to what the donors want. The same goes for policies that donors are asking for.

If they answer calls for proposals, they say they stick with the requirements there, and by submitting proposals, they agree to comply.

They talk about financial reports they need to submit at different times. As one of them said, they have to follow what is in guidelines and agreements “We have to respect all kinds of things they ask us.” Maybe the project includes support for the administrative work they are asked to do, maybe not. If they cannot meet these demands, this respondent said the donor might withhold money, and how would they then be able to proceed? Deadlines are very important: “If we do not meet the deadlines, we must face the consequences to come. Just everybody has to meet the deadline.” Another financial manager coming from the organisation with 40 donors says the way they deal with it is that they extract reports from their own systems and rework them separately for the different donors according to their demands. Donors provide trainings for them on the different formats. Even for auditing reports, this finance manager says that a single donor may require these reports in February when things are not ready. The NGO will do separate work to meet this donor’s deadline. One organisation said that if they try to reduce the frequency of the reports, e.g. from quarterly to semi-annual reports, arguing that they do not have enough administrative staff for this, they are told that this is a requirement. Take it or leave it. The donor may also claim that this is their system and that other NGOs they support are reporting quarterly.

The NGOs have their own reporting systems and policies, but sometimes what the donor requires are stricter than their own. “We have our own procurement policy, and the donor may have their own. If these are not coming together, we are forced to follow donors’ requirements.” This was mentioned regarding the limits for when they need to get price quotations. When the donor’s limit was lower than their own, they complied to the donor’s limits.

A donor may ask them to expand their work to another geographical area, or to include new focus groups, and they say that if this is in conformity with their own priorities, they will comply. The organisations in the study expressed different experiences on this matter. Several of them mentioned that situations like this occur sometimes. One respondent said they were free to say both yes and no to this. Another who said that such a situation is common to them, said that if you want to get more funds, you have to go to another area.

One NGO mentioned an example of one donor asking them to add a component in one of their health programmes, a component that the donor was concerned about including, but

that the NGO had no experience working with. The NGO felt that they could not say no because there were other organisations involved in the bigger project here, and if they said no, the others would get the funds. They were also worried that saying no might damage the relationship with the donor. They therefore chose to comply.

The issue of abortions is an example that several of the organisations talk about. They have had donors who wanted them to work with abortions but have been told by donors with USAID-funding “if you work on abortions in any of your projects, we will cut your funds”, and they have had to sign agreements saying they will not work with abortions. One respondent describes this situation:

“So if you want to work with USAID, you have to stop working with XXX (partner who wants them to work on abortions). XXX gives us small grants, but for the past 2-3 years we have stopped working with them. We only get 100 000-300 000 birr from XXX , but from USAID we get millions. We don’t want to lose that. But the problem is there.”

The respondent says that with donors with US funds, there is only the choice to accept or reject. If you say no, they will find another partner. One of the organisations who signed such an agreement was working with abortions in emergency cases prior to this. Since this USAID-funded donor was supporting a project with a big staff, the NGO could not afford to lose that support. At the same time another of their donors wanted them to continue including safe abortions in their programme, but they had to say no to this donor. They only finished what was ongoing but could not continue for a new phase.

Anticipate requests and adapt behaviour

The NGOs are used to the demands of transparency, procurement, policies, etc, and several of the organisations say that they have these things in place as they have developed this over time. One organisation says that these requirements from the donors are also their own priorities and that when they developed a system for financial reporting to make it easier to meet the donor requirements, it was a learning process for themselves.

They try in some ways to be ahead of the donors to be prepared if requirements are to be made. Having developed all these policies, etc, helps them meet requirements they expect to get. When they meet strict demands from some donors (they particularly mention donors with money from USAID as strict), they take advantage of the stringent policies, because they satisfy the rest, they say.

Having set contact persons for the different donors is a strategy mentioned by a couple of interviewees to handle demands more easily. When somebody has handled one donor for a long time, it is easier for them to anticipate the donors' needs and to satisfy them. Having worked with international donors from several different countries, organisations are familiarized with conditions when a new donor comes in from a country they have worked with before.

6.1.2 Compromise:

Respondents say that there are a number of things organisations may negotiate on.

Some respondents gave examples of how, when working on projects, unforeseen things may complicate the work which again affects how the NGO can spend the funds. Maybe they spend less/more on some activities than planned, maybe they have to pause or stop activities, or they may not be able to spend the 90% of an instalment (a requirement to get the next instalment). In cases like these the budget should be revised, and several organisations say that they negotiate in these situations. They cannot make changes without consulting the donor, so when things change in the field or there is a new emerging need, they write amendments asking the donor to approve. Budgets with established time frames are fixed in the agreements but moving funds from one budget line to another in the same project is possible, they say. They find it is easy to negotiate on small adjustments, and donors can sometimes be flexible with budget lines, but according to them donors won't accept moving money from programme to administration (office rent, vehicles, internet, etc). One of the organisations explain how they try to negotiate to have more funds allocated for administration since this is always a challenge for them. This negotiation takes part in the process to draft the project. They put in 30% for administration, but the donor thinks this takes too much away from the programme side and reduces the percentage.

Funds received from donors have time limitations and NGOs are required to spend funds according to these. When one of the organisations were not able to spend the required 90% of the first instalment on a project, they risked not getting the next instalment. They therefore negotiated time and again with donors on this. With one of them they managed to change this limit from 90% to 75%, but another donor said no.

Some donors have criteria that might not be possible to apply in the local context, and if this is the case, they normally negotiate with the donor on the requirement to focus on what is workable for them.

One example of a requirement one organisation has negotiated on, is the procurement conditions. Their donor had requirements saying that if they were to buy something that exceeded a given amount, they had to get price quotations from 3 different suppliers before the purchase could be done. This organisation works in remote areas where there may not be many suppliers and therefore, they cannot always find 3 suppliers to ask. They try to reason with the donor on this to have these procurement requirements modified to suit the situation on the ground. The same goes for the requirement of official invoices. Asking for official invoices is the role of the donor, they say, but as it is not always possible to get invoices in their region, they negotiate with the donors to accept what is available. They find that donors are willing to listen to this and are not so rigid since requirements are means to reach the objectives. For them it is important to negotiate about this ahead of implementation because if they do not implement in a good manner, the donor may reject all the expenses. (Organisation 5)

One organisation mentions two situations where the outcome from a negotiation would differ. At the time of the interview, they were experiencing a situation where the project they were working on had to pause, or maybe even stop, due to conflicts taking place in that region; people were displaced, facilities and systems like banks shut down, and staff had to evacuate. They had money to conduct the work, but they could not operate on the ground, and this gave them problems with the time frame of the project. The donor told them that if they could not finish the work on time, the budget would expire. They tried to negotiate with representatives of the donor that was present in Ethiopia. In this particular project, the work was going to be conducted in several sites, and in one of the sites, it was possible to

operate as normal. The NGO therefore wanted to move money to the site that was operating till the situation had improved, and through negotiation, they succeeded in making the donor accept this.

The same organisation said that if they plan to carry out a project in a certain region and something happen that make it difficult to continue the project, it is difficult to negotiate with the partner about moving the project to another region. This would be a bigger adjustment, and this respondent said that trying to move projects was a losing battle.

Reporting is one issue the respondents have said they have to comply with, but also for this matter it is possible to negotiate sometimes. One respondent working with education projects gives 2 examples of situations where they negotiated with their donors over reporting requirements. The first example of this was in a project targeting 40 children. The donor wanted individual reports for each child; how much money had been spent on educational material, health care, psychological support, livelihood, education. For each child they should report on all these 5 components. This was demanding since there were different people in charge of each component and one person was assigned to keep count, but sometimes this person could not manage this. When negotiating with the donor to make the reporting easier, they were not willing to change formats for just one NGO and said that other NGOs fulfilled these requirements. The NGO then ended up complying to these reporting requirements.

The other example was in a school with 3 donors involved, each of them supporting different parts of the project. The children are the same, and it's one organisation implementing, but since there are 3 donors, they have to make 3 different reports in different formats and with different deadlines. All the work they do there have to be subdivided and reported on accordingly. One of the donors is supporting a specific group at this school, but the other 2 do not have this. Of these two, one of them gives 20% of the budget and the other 80%. The NGO tried to negotiate with the donor contributing 20% asking them to accept the same report since it is the same children, the same staff writing report. They know, when they receive the common report, that they have been supporting 20% and the other 80%. They discussed this for a long time and finally the donor accepted. They had negotiated mainly on the narrative report, but the donor also accepted to get the

same financial and audit report as well. The NGO says they managed to show the donor how much work this was for them. Other organisations also says that sometimes, if there are challenges with their staffing to do the reporting, they may succeed with some donors in reducing the frequency of reports.

6.1.3 Avoidance and decoupling

The gag rule, preventing organisations from working with abortions, was causing problems for some of them. One of them explained how they previously, before the gag-rule, had gotten support to run a small clinic. When young girls came to them in emergency cases and needed an abortion, they could conduct these at this clinic. According to the respondent, teenagers preferred having an abortion done here instead of at a public health facility. After signing the agreement with their donors with USAID-funding, they could not give this service anymore. What they did instead in critical cases, was to transport the young girls to other health facilities. When asked if their donors said anything about them assisting these girls by providing transport, the respondent slapped the hands and said: “No, we didn’t disclose that. No, no, totally no. We just say that we don’t do abortions.”

6.1.4 Defiance

There were few examples of defiance. One of the organisations had a relationship with two partners that changed a lot due to requirements set forth by the two donors. These were long lasting partnerships, but when the donors asked them to accept the donors’ view on what was for them a seriously controversial moral issue, they said no and cut ties with these two donors, The NGO saw the attempt by the donors to make them accept the same view as the donors as an imposition:

Our partnership should not be based on condition on accepting or imposing your own view. You can have your own view and still keep the partnership. Imposition is another thing. [...] we are not compromising our ideological views to get funds to support people.

They also have other donors with the same view as the first 2, but according to the respondents, they have not placed any conditions on the NGO to accept this in order to receive support.

Organisation 4 is working in only one of the regions of Ethiopia, and if donors request them to move or conduct projects in other parts of the country they may say no if it is too difficult, practically, for them to follow up. Once when they did this, the donor found another local implementing partner and the NGO that said no saw their support being reduced after this. Organisation 3 said no to a donor who approached them wanting the NGO to be part of a new project. The problem for the NGO was that this project wanted to include target groups that are not within the specialized mission of the NGO. They said no to this since they do not work with this intended target group. Instead, they asked the donor to switch the project to being limited to the group they are working with. The donor took this suggestion back to their mother organisation to see if they wanted to do this (this was a very recent episode, and at the time of the interview, they did not know how this would end).

Another example was when one NGO had said yes to a project, but because of the project approach they got into trouble with the local community after some time. The project was related to teaching youth about sexual and reproductive health. Both the target group and the strategy were set by the donor that also had readymade printed materials to use for the teaching. The role of the NGO was only to conduct the project. The target group in the project was youth in the age range of 10-19 years. According to the interviewee, the topic of the project, sexual and reproductive health, is a very delicate issue to talk about many places in Ethiopia, and the interviewee said it is taboo to talk to such young people as 10-year-olds about this. Still, they had said yes in the first round since they were thinking that maybe the community where this project were to be implemented might be more open, but it turned out to be difficult to recruit such young people to these groups. The local community protested and said that they saw this, inviting so young people to talk about this issue, as harassment. When the donors came to supervise the project and visited some of the discussion groups for the youth, they commented on the fact that there were no 10 -13-year-olds in the group and asked the reason. The NGO tried to explain the cultural barriers to the donor, and also brought people from the local community into the discussion. The manager at the NGO's branch office working with this community said they could not

continue with this. The donor had then suggested that they, together with the NGO could conduct this project in other communities, but the NGO said no. Unless the target group was changed, they would not work on it. They therefore said no to a second round here. In this case, the management team discussed and found it very hard to say no, but they also did not want to lie in their reports. It was the branch manager that protested and said they could not do it, and even though they needed the money this project would give them, they said no since they cannot do any work if they do not work with their branch offices.

Organisations also has had to say no to funds if what the donor wants to focus on is not within what the government will allow.

6.1.5 Manipulation

Most donors come to visit the NGOs and the projects they support, at different intervals. The organisations in this study mention several examples of how they have managed to influence their partners to accept things that would have been difficult if they were working on agreements only in their offices. By bringing the donors out to the field, they see donors getting first-hand experience to both culture and to practical difficulties. The donor requiring official invoices for all purchases changed after having visited the region and seeing there that it was not possible and accepted the expenses without the official invoices.

They also gave examples of how they made use of the opportunity when with donors in the field to negotiate with them to include other wanted elements in a project. One respondent said that this was best done after the proposal, whereas before winning the proposal, they had to agree to all the standards. During such a visit there is a chance to adapt things and to maybe even add elements. They had managed to make the donor include a car in a project, something they would not have been able to get otherwise.

One organisation arranges round table meetings for their partners. They say that in this meeting, requirements from donors is one thing they discuss. They see it as a good opportunity to let the donors hear from other donors how the requirements are differing, and also create a common understanding. They can see some changes after such meetings

as donors sometimes refer to things said at these meetings or refer to examples given, and that they might come back with adjusted agreements.

In partner meetings with several NGOs and donors together, they present achievements, talk about challenges and any considerations they have.

One final aspect of influencing is how meetings create some bonds and commitments. One organisation says that not all donors come to visit, but among those who've come, they've seen stronger reluctance to cut a project compared to those who have not come to see them since they do not know each other that well.

2 organisations said that they wanted to shift their approach from a project approach, getting support for single projects, to a programme approach, getting support for the whole programme. The respondents talking about this, presented this as a way of minimizing the burden of reporting and make donors come together to have more unified demands. So far, there had been different people following up on the different projects, doing a lot of parallel work, but with the planned shift, the work could be more concentrated.

6.2 Analysis of strategies:

In this section, I will look at to what extent they used the strategies I have focused on, in which situations, and if some of them appear more often than others. I will try to locate patterns and connections. For this I will use the strategies of Oliver (1991) and Meyer and Rowan (1977) to guide me.

I will then see if it is possible to say something about why they have handled the different situations in the way they have. When searching for answers to this, Oliver's 5 categories can be of help: cause, constituent, content, control, and context. They will be complemented by institutional theory and theories of dependence, stability, and complexity.

Organisational theory presents different strategies for organisations when facing demands and expectations from their environment, and in this study, I have highlighted 5 possible ways to deal with the environment. For the organisations I talked to, in their daily life

dealing with donors and projects, do these strategies appear to be real choices that they can consider in all situations? Do they choose a way to handle things after a rational process considering alternatives, or do they act based on habit and experience? I will get back to this question at the end.

6.2.1 Acquiescence / Compliance:

Oliver (1991) says that this is a strategy that organisations choose when the pressures they are subject to seem like the natural thing to do, or when there is something to gain from it. The most common strategy mentioned by the respondents was comply, and particularly for administrative and financial issues. Oliver has 3 ways of acquiescence; habit, imitate and comply. None of the organisations talked about imitating. This does not necessarily mean that it does not happen. These NGOs are in networks and in competition with lots of other NGOs, and it would not be strange if they were to imitate organisations that succeed in getting funding and have good results. Some of the situations where they accept donors' demands has got to do with habit. Practices they are asked to adhere to are taken for granted. In the development world, policies, rules regarding procurement, and particularly reporting are considered the obvious thing to have. We saw in chapter 5 how some of these things can be considered social rules, and this makes it easier to adapt to because if you do this, it is somehow a stamp of approval of your organisation, giving legitimacy. Oliver distinguishes between habit, going along unconsciously, and compliance, a conscious action. Based on the interviews, I will raise questions with habit being unconscious. A more important distinction is if there is any resistance in it. They were definitely conscious about what they did, but they saw accepting demands as something they could learn from and improve their organisation through. The word comply, used by them, was more when they knew that they did not have much of a choice. However, there was not much of a distinction between habit and compliance, and since comply was the term they used most, it is the term I choose to use in this analysis.

Compliance was not only for administrative and financial matters, but also for programmatic issues, though less mentioned here. They complied to add new components to a programme, to expand to new areas and to demands about what to work with or not to

work with. Whereas all organisations told of compliance for administrative and financial issues, the picture was more nuanced for the other categories. Compliance here was linked to their own strategies, that if it matched their own objectives, they would do it. However, some also complied even though what was asked of them was outside their scope.

6.2.2 Compromise

When compromising, organisations show a bit more resistance, a little more agency than when they comply. Through this they try to get demands more in line with their own interest (Oliver, 1991). When they talked about negotiate, it was on issues at project level. Big changes are not possible, but small adjustments can be accepted by donors, so even though they won't see big changes, the issues they negotiate on are of importance for them, moving the situation a little more in their direction. The most commonly mentioned thing to negotiate on was revision of budgets. Donors will show 'budget line flexibility', but they will not allow moving money to be used on something else outside the project. For reporting, they mostly said they had to comply, but as we saw from the presentation there were examples of negotiating here as well, with mixed results.

Knowledge of the reality on the ground and field experience is something NGOs mention they use when negotiating about the terms and conditions. In the example of negotiating to move money due to conflicts preventing the work, they tried to make use of this knowledge, but when this was difficult, the respondent expressed some frustration:

They say that unless you do this one, that one, it is going to expire. They are saying these things, insurgents, orders. We cannot meet, because of conflict and unforeseen challenges, we sometimes only perform less than 50% of the budget. The back donors especially cannot understand this.

This organisation has many donors, has worked for a long time, and maybe what the respondent touched upon here was that they did not feel they were treated well in this situation. The issue of what a partnership is, is relevant here, but was not something we developed more.

6.2.3 Decoupling

Studying organisations dealing with such complex external environment, I had expected to find this strategy used more, but I only got one example. The organisation in question decoupled the talk and decisions about complying to the donor's demands to not be involved with abortions in any way, from what happened at the grassroots level of the organisation. The talk and decisions in this case took place at the management level. Since these organisations are under very tight scrutiny, they could not keep support from donors who wanted them to work on abortions. They had ended these projects, and in that way, they complied. Still, local staff found ways to provide some limited assistance to the girls. This happened outside projects. It was very important for them not to disclose this to their donors, and this is in line with what the theory of decoupling emphasizes (Meyer & Rowan, 1977). If this was to be disclosed, it could have grave repercussions.

Can some of the compliance-situations be symbolic compliance where organisations in fact decouple? With so many different and inconsistent demands placed on them, it's possible to raise this question since to really comply requires work. Meyer and Rowan (1977) said that for decoupling to work, inspection is important to avoid. In the development sector there is a high level of control on many things, so it is difficult to imagine that they can decouple on the demands for reporting, deadlines and procurement. They also gave examples of arrangements they made to be able to meet these demands. For policies it is a different matter. It is important to have the policies, but it may be possible to decouple here when it comes to abiding by them.

6.2.4 Defiance

Saying no to donors is not something the respondents give many examples of. But, in some instances, NGOs say no to the donors' requests, e.g. when what the donors wants conflicts with the priorities of the NGOs. The examples given here differed very much; financial requirement, content of a project, expanding to new areas or target groups, and values an organisation was asked to agree to. Defiance is the opposite of comply cause here organisations reject the norms and values they are expected to conform to (Oliver, 1991). Saying no to a new target group or agreeing to open up work in a new area is a rational

decision, but when values, especially moral values, in an organisation and a local community are challenged, reactions were more heated.

For those who said no to expand the area or target group, if they had agreed, it might have changed their organisation too much. In this we may see limitations to adaptation.

When asked if they have a chance to say no to some of the requirements from donors, one respondent coming from an organisation that had seen a big decline in fund, (organisation 2) laughed and said: "To say no? To say no? In good old days when you had relaxed resources, we could say no, but now you have to be very careful. You don't have a bargaining chip".

6.2.5 Manipulation

Among the 3 variants of manipulation Oliver (1991) mentions, influence was the one they talked about. Here it is about making values in the external environment in line with the NGO's own values and what they see as acceptable. The organisations use both meetings and particularly visits to the field strategically to influence their donors.

Some things that they tried to negotiate with the donor on was easier to do while visiting the field than through office meetings. When talking about influencing, the example of accepting not to get official invoices was a concrete thing where they tried to make the demands more acceptable for them by making the donor know the context better.

While talking about the desire for donors to align their demands, the respondent talked about the round table meetings. Here, influencing was not only for specific situations, but an attempt to influence on a more general level. The organisation in question here was organisation 1 with 40+ donors. Several of their donors belonged to one alliance, one family of development NGOs, and the NGO said that they had tried to make some of their donors come together to align their demands. They had not succeeded in this and the explanation they gave was that when donors came from different countries, they had different back donors, and this was what made it so difficult.

A couple of organisations were thinking positively about their chance to influence the donors, whereas others said they did not have any power to do this. Maybe some NGOs are in a better situation than others when it comes to making their donors listen to them?

I included the strategic shift from single project to programmes under the manipulation heading. The reason for this is that, even though it is still compliance to demands, I see it as a way of trying to take more control of the situation and setting the agenda themselves. Oliver writes about control as trying to reverse the power dynamics. Maybe what they do is not as radical as Oliver's description of reversing, but still they make use of the power they have and want their donors to come along with this.

6.2.6 Possible reasons behind choice of strategy:

Why compliance?

The main reason for donors placing financial and administrative demands will be transparency and accountability, so the cause, or rationale behind it, may be easy to understand. All donors (constituents) will be making these requests to some degree, and being dependent on donors, they will not easily find others who do not have demands about formats and deadlines, it's just a matter of how strict donors are. There is very strong control on these matters, and with regards to the content, it is doable in most cases, even though it requires capacity on the administrative side.

They see complying to donors' requests as a part of working with different partners, it is 'take it or leave it' as one respondent said. They express some understanding for why donors make these demands: "if it comes from the back donors, they are forced to force us to comply.

For some, following all the different reporting requirements means a lot of extra work, whereas some requirements are less demanding of the organisation if they have good systems.

Two organisations gave examples of how they applied the strictest policies on all donors, even the ones who did not make these requirements, rather than differentiating between

them. We may wonder if this is to create some kind of stability and predictability in their situation, despite the extra work.

In the example of organisations complying to donors' demands not to work with abortion in any way, the reason they gave was dependence on funds that these donors provided. These donors were supporting health projects with large amounts as we saw. This demand was voiced in a context of dependence on the funds since if they did not comply, many of their staff would lose their jobs, and many people in this project would lose help. The organisations in this study that had signed agreements not to work on this issue, had other donors who wanted them to work on abortions, so there were conflicting demands or interests. Here, the constituent with the strongest demand and the biggest fund 'won'. Dependence on resource was therefore a decisive factor.

NGOs are in many situations okay with the requirements since it is a way of building competence in the organisation. They learn from the work it takes to meet the requirements, like making or improving policies and financial systems. Working on these things forces them to look at better practices and some say that the financial requirements are very important to their organisation. The challenge and the big inconsistency for them is when donors require this competence in the NGO without wanting to support the capacity building.

Oliver (1991) says organisations comply if there is something to gain from it, and for NGOs there is a lot to gain. They learn, they improve their capacity, and in this way make themselves more attractive on the funding market. Most of all, by complying, they are still in the game and receive funds.

Why compromise

Oliver (1991) says that organisations bargain when they want to make the demands more acceptable and to show some resistance when demands are inconsistent with their own goals. In some of the examples they gave, like negotiating about procurement rules, or move funds to another site due to conflict, it is not about demands being inconsistent with their own goals as is a matter of making them applicable in their contexts. Both parties, donors and NGO want to see projects conducted in order to reach their objective. As one of them

said; if there is a chance that they will face difficulties because the donor makes demands that simply cannot be met – not because the NGO is unwilling or they do not have the organisational capacity, but because reality conflicts with donors' requirements, they try to negotiate. In this situation they made use of their knowledge of the ground. Ethiopia has huge differences in many aspects, and what works in one region, may be impossible in another. The NGOs negotiated to make donors see this.

The 2 examples one NGO gave about negotiating on reporting requirements was done because of the work-load from these requirements. In the first example they did not succeed in easing on the level of detailed reporting. In the second situation they succeeded in making one donor accept the same report as another, whereas a 3rd donor would not accept it.

When asked if they could reject in a situation like this, the answer was: "... we want to, but have not done because the children will suffer. Other organisations want them (the donors), and if we say no, others come in. Because of the benefit of the children, we work with them." This was given as an explanation for why they ended up complying to the reporting demands. From this example it is possible to add one more category to Oliver's list of 5 categories influencing choice of strategy, and that is 'consequence', here as in consequence for a vulnerable third party.

For compromise it seems as if the content of the demands is a decisive factor.

Why decoupling

Decoupling is a way of dealing with inconsistent demands (Brunsson, 2002; Meyer & Rowan, 1977), and in this situation there were strong inconsistencies between several donors. But as we saw under comply, they complied to the one who came with biggest funds. There were also conflicts between the donor's demand and the reality and need of their beneficiaries. We may assume that they complied due to the funds, and that they kept helping some girls in critical situations because of fear of the consequence for the girls they worked for.

Why defiance

The organisation that experienced problems in the local community with the approach and target group for sexual education, saw after some time that this would give them problems and keep them from fulfilling the project. At first, they had said yes to the project, knowing the age of the target group, hoping that it would turn out okay, but it did not. The process was first to comply, then negotiate when they got strong reactions from both local community and their people on the ground there, but when they did not succeed in making the donors adjust the age range of the target groups, they said no. In this case it was the content of the demand that was the problem. Even though this organisation is struggling with getting funds, and they therefore were highly dependent on this, they rejected the donor's requirements since the gap between what the donor wanted and what was acceptable in the community was too big.

In the final example of rejecting donors' demands, the organisation was upset about being asked to accept values that were compromising to their own ideology. They felt that these donors were forcing them to accept the values of the donor, not respecting the autonomy of this NGO. It is fairly safe to assume that they did not understand the rationale behind the demand since they had other donors, with the same stance on this issue, who did not ask this of them. The donors asking them to do this were long time partners, but it seems that this did not matter to them. Content was the decisive factor here, but as the cause might not feel justified, it may also have played a part.

The 2 latest examples here follow what Oliver (1991) gives as explanations for when defiance is used, and that is when the gap between internal values and the norms they are expected to conform to is too big.

Why manipulation:

Through influencing, there is a chance that they can see some changes on what is for them difficult situations. As with compromise, they cannot change the entire system, but if they can influence their donors on some issues, it might ease some of their burdens. The biggest difference would be if they could manipulate them enough to align demands. This could be a good outcome from shifting to funding of and reporting on programmes, as donors within one programme would have to align their demands.

6.2.7 Content, constituent and context

From the analysis into what may be reasons for choosing the different strategies, we see that the most common strategy is compliance (acquiescence), and the least used is decoupling. In this section, I will move away from the specific strategies and focus on the content and the type of demands, on the constituent, and on the context. Are there characteristics connected to these that can help explain the behaviour? I will end with going back to the question of active choice of strategy or habit.

Content

With content, I look at the kind of demands and on what issues they occur. With compliance, we saw that there were many examples relating to the administrative work of the organisation. Financial requirements and administrative requirements were the most frequently mentioned, and for these, they mainly complied, or they negotiated on minor adjustments. Some expressed that these things helped them learn and improve their own organisation, whereas in some cases, they said they did not have a choice here. If they do not abide by these demands and deliver reports, they lose funds, but more important than losing funds for one project, is that they also lose legitimacy. Having a good reputation for being an organisation that is doing good work and has high administrative capacity, is of great help in the competitive situation they face. Showing good performance was mentioned as a way to be attractive for current and future donors.

Meyer and Rowan (1977) talked about institutional rules, how these become rationalized myths that organisations adopt since they seem so natural and good. When talking to these development NGOs, they mentioned many different demands they face, but when asked if these demands were in line with what they themselves saw as important, there were not many who questioned or challenged the validity of these demands. Rather, what they said was that these were useful for them, it helped them getting better, etc. They gave the impression that these demands are natural and good for their organisation, like policies. They are something organisations ought to have. They could dislike the number and the level of details, but not the main content and purpose. It is therefore possible to interpret their views on this as an example of norms having become rationalized myths.

There were also demands and expectations regarding the programme side. For these issues, there was more variety in strategies. They complied if it was within their organisation's scope, like with expand with new target groups and areas, but one organisation complied on this even though it was outside their scope. Here, their dependence on funds played a big part as they had seen declining funds for some time. It is possible to raise questions as to what it means that things are within their scope. For some, the impression was that they had a wide understanding of this. One organisation went along with what donors wanted, even though their own interest was in another area.

One special case is the demand of adhering to the donors' moral values. This was neither related to administrative side of the organisation, not the programmes. It was therefore difficult for them to understand the rationale behind it, and since the content of the demand threatened their integrity as an organisation, they denied.

Constituent

For the strategies, compromise and manipulation, it is interesting to see if explanations can be found in who were placing the demands on them. Could it be that knowledge of type of donor and of back donors, and knowledge of the specific donors guides them in the different situation?

In the interviews, we did not touch on who they were negotiating with. The way they expressed knowledge as to what it was possible to negotiate on, it is likely that they have the same knowledge about their donors and who it is possible to approach to bargain with or to influence. This kind of knowledge was shared in the interviews when one of them said, with a laughter; "We don't usually negotiate. They don't normally respond to you, you know USAID". This came from the same organisation that negotiated on procurement rules, so it may be possible to assume that they choose which donors to negotiate with and not.

Most respondents express understanding for many of their donors in placing demands, they say this often comes from the back donors and then the hands of the donors are tied. Like one of them said: "Our donors are not managing funds by themselves". Constituent is not only the donor they are dealing with, as there is also the back donor pulling the strings. If

your understanding of the situation is that your donors' hands are tied, then maybe there is not much use protesting since you cannot change it?

Stability on the donor side is important for them. They know what to expect, and with a long relationship, it is easier to also handle the difficult situations. Several of the respondents mentioned something about this. With some donors, they experienced that they were interested in investing to build capacity in the organisation. Another example was when one organisation tells about a donor who comes with big funds for a specific time, but this is not a stable donor, and when they stop everything declines. There is no relationship outside the funding, and they feel this donor only treats them as a pipe.

As one of the respondents said: "My opinion is that some are donors. [...] Some of them are partners - some of them are good partners".

Context

The context they are operate in, with dependence on donors, with complexity and instability, is this something that can explain why they decouple, defy or comply? All of them depend on foreign donors, almost all for 100% of their funds, but it varies how dependent they are on the specific donors.

The reason all organisations, no matter their financial situation, complies to demands from donors probably stems from the dependence on foreign donors. Since all donors make these requirements to a varying degree, it's a take it or leave it-situation. The complexity and instability they operate under, can also help us understand the rationale behind their behaviour since they try in some ways to reduce the reporting complexity and to create more predictability.

In the abortion example, it was clear to see that dependence on funds was the decisive factor. Dependence can also be seen to be a reason for behaviour in the example of sexual education for 10-year-olds. The organisation operating here is not in a very good situation when it comes to funds. This may be the reason why they agreed to this in the first place. They only said no when the community protested. Then another dependence kicked in, the dependence of being in line with values at the grassroots-level and in the local communities.

Some of these organisations are in a relatively safe financial situation, and maybe this was the reason why two of them wanted to shift approach? They had some power, and this could be used to change approach and make the donors abide by this new approach. This was still in the making at the time of the interviews, so I do not have any knowledge of how this went. One respondent from an organisation that experienced more uncertainties in their funding situation said:

But, are we really influencing them? If an organisation is really big and you have resources, yes, you can say no to their requirements and if it is not good for your organisation or it is not in your area of domain. But if you don't have resources, how can you say that? It's difficult to say no. If you say no, you may not get that money. At least, you may not get the next round of funding.

Another aspect about the context here is the nature of the work they do. This was not a part of my questions, but they brought it up by themselves sometimes. They talked about local needs, about consequences and who would suffer if donors should pull out if they said no, about pregnant teenage girls in need that made them assist a little even though they had signed agreements that they would not work with abortions. These organisations operate in a context with big needs on many things, and maybe this sense of urgency was behind some of their choices, be it comply or manipulate?

6.2.8 A matter of choice or a matter of habit?

Going back to the question raised when I started the analysis, do these strategies appear to be realistic choices for them? Or does habit and experience guide them more?

Since all organisations depend on foreign funds and all foreign donors make requirements, particularly financial and reporting requirements, we may ask if they have a chance to choose anything but comply here. As previously mentioned, having all these policies, providing reports for the sake of accountability and transparency, are considered by many as good for their organisations. This is in line with institutional theory. It is possible to say that they are conscious about what they do, but it's a habit they go along with. They do not sit down every time to consider what to do. And even if they were to question these requirements, it seems like they have accepted them as the 'rules of the game'. They may

have tried compromising more and on bigger changes earlier, learning that they can only get minor changes when it comes to these administrative requirements. As one respondent put it when asked what they do when donors come with requirements: “What we should do is to adjust our programme, our staff to their requirements, to their need. You have to read all the rules and regulations”. They have been in these situations so many times, and they also know that by taking part in submitting proposals, they have agreed to the demands. For many of the situations they face with demands, they act based on habit and experience.

The situations where they seem to actually be making an active choice, is when they are facing new situations. If they are asked to accept moral values, to extend to new target groups or areas, the example of abortions, when something unforeseen happens and they might lose the project funding, or when they see that the demands made are incompatible with what is doable in their context,- in these situations they have made an active choice to negotiate, to defy, influence or decouple. To comply to administrative demands is also an active choice, one that they made when the demands were new, and maybe also when there are big changes.

6.3 Summary

In this chapter I have looked at how organisations apply several strategies when facing different and also inconsistent demands. Accepting what the donor brings, is the most common strategy. Having analysed the different strategies and tried to look at what might be behind their behaviour, I found that 3 of the categories of Oliver (1991) ‘content’, ‘constituent’ and ‘context’ could provide the best explanations to this question. Who is placing the demands matters for choice of response. And what the content is, what parts of the NGOs’ work the demands are targeting, decides in many instances how they act. They know that for financial requirements, deadlines and reporting, they may be able to negotiate for minor changes, but that the demand cannot be denied if they want to continue working. Accepting these things are seen as both good for the organisation, but it is also seen as providing a heavy work-load. Finally, context is important. Context can be the degree of dependence and where power is located in the relationship, and it can be instability and complexity in their situation. Dependence on resource is important, but dependence alone

cannot make NGOs accept demands in all situations. I discussed if the strategies I had as a guide in this analysis appeared as real choices for the NGOs or if they acted based on habit and experience. What I found here was that for many of the demands dealing with financial and administrative issues, they comply or compromise based on habit. For new topics or situations, where habit does not help them, they do make an active choice.

7 Concluding remarks

For concluding remarks, I will look at the findings in this thesis and reflect around them.

First, I would like to remind of the thesis statement that I have tried to answer through this research:

How do development NGOs in the Global South handle demands and expectations from their donors, and what can explain their choice of strategy?

After discussing the findings, I move on to discussing the strengths and weaknesses of the study before I move on to suggestions for future research.

7.1 Findings

The purpose of this thesis has been to get good descriptions from development NGOs in the Global South to get an insight into the situation of demands placed on them from their external environment and look at strategies they employ in this situation. The study is based on data from interviews with 6 Ethiopian development NGOs.

Having analysed the situation for these NGOs and the strategies they use, I have shown how these organisations are in a special situation with many uncertainties. They depend on having foreign donors to support their work, and they try to manage this in a competitive environment. In a situation like this, legitimacy is important as they need to be seen by current and future donors as an attractive organisation to support. One way of achieving that is through abiding by the demands donors make, and here the content of the demands play a part in choosing behaviour. Many of these demands are connected to norms in the development field, norms like accountability and transparency, and the NGOs accept these, not only because it is take-it-or-leave-it as they say, but also because they believe this is of help for their organisation in improving their capacity. In this way, abiding by these institutional norms – norms that they in many ways take for granted, gives them a reputation for doing good work, something that helps when competing for funds. Oliver (1991) argues that organisations comply when the demands seem like the right thing to do or when there is something to gain from it. We see that clearly in the case of these NGOs. Compliance on some of the matters that are important to the donors, is a price to pay to be in the game.

In chapter 5, I showed that the context these NGOs operate in, is both very complex and unstable. They face many different and also inconsistent demands, and when they try to compromise or influence their donors, we can see that as a way to try to reduce the complexity in their situation, for example with regards to reporting, and to create more predictability. These two elements in their context, complexity and stability together with dependence of resources from donors, also play a part here in choice of strategy.

I also found constituent to be of importance when trying to understand the rationale behind their behaviour. Even though it was not touched upon directly in the interviews, they made comments about their insight into what is possible and not with different donors.

In the introduction, I raised the question if there are limits as to how much an organisation may adapt to conditions in the environment. Based on the findings here, it seems that they can adapt to a very large degree, especially when it is administrative things. They find solutions, as long as the demands are not in conflict with the reality on the ground. Where we might see limits to adaptability is when it touches on important values and integrity of the organisation or the community they work in (saying no to moral values donor asked for, and no to sexual education for children). Expanding target group was an example of limits to adaptability. For this organisation, whose existence is based on working with one target group, going beyond this might challenge who they are as an organisation.

Going back to the thesis statement, I have shown that they handle the demands from donors in a variety of ways, and that compliance is the most commonly used. I have used the term 'choice' in the thesis statement, and at the outset, I did not reflect on the fact that choice implies conscious decisions. Working with the analysis, it became clear to me that sometimes organisations actually choose consciously how to handle things, but other times, it seems to me that it is not so much a choice as a habit based on experience.

7.2 Strengths and weaknesses of this study:

I had a desire to get descriptions from a kind of organisation we do not hear much about, and that is NGOs in the Global South since I believe that they face different uncertainties than organisations in Europe. One of the strengths of this study is that by conducting 12 in-

depth interviews, I got rich descriptions about uncertainties, demands they meet, how they see the demands, and how they handle them. This has provided valuable insight into their situation. By applying a small-N-study, I found organisations with different contexts, something that gave a broad view when looking at strategies employed to handle demands.

I had a very broad focus, and by not limiting it, I got examples of more than administrative requirements. The respondents told me about interesting situations where programme requirements conflicted with values in local community, where donors' moral values conflicted with the NGO's, and how organisations dealt with these.

Considering if the findings of this study may be generalized, I go back to the concept of accumulation of knowledge. This study, however broad it was, has hopefully contributed to understanding the concept of adapting to demands in the environment a little more by showing organisations in a different kind of dependence than what we are used to.

There is coherence between the thesis statement, theories employed, research design, research method and analysis. I have been open about the choices made throughout the process, and these things strengthen the quality of the study.

Having a broad focus can also be a weakness. For this study it meant that I basically only scratched the surface of these different strategies. I could have gone more in depth had I focused on 1 or 2 organisations. Interviews have their limitations as the interviewer needs to build trust, something that takes time. With more trust, maybe I could have gotten other stories, like stories of decoupling.

7.3 Recommendations for future research:

There are many things about these organisations that awaits research attention. I will mention 2 aspects here:

Applying other methods could be good. Based on the insights gained in this study, it would be interesting to study the same issue of strategies, but with different methods, for example a quantitative study of limited strategies. Or to do a case study of one NGO and follow the process from the point where they face demands from one particular donor, and how they

deal with these in more detail. What administrative steps do they take? How do they deal with it at the different levels of the organisation?

The relationship to stakeholders on the ground (among them, beneficiaries) and the expectations from these groups, was left out in this thesis. The same goes for the relationship to governments and requirements from them. Conducting a study to see how NGOs balance more elements of their environment would be interesting. It would also be interesting to see what happens to an NGO over time as they adapt to demands from donors. How far can they go, and what happens to their identity if they change a lot?

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Appendix 1: Interview guide, version 1

How do development organizations in the Global South manage the situation with demands and expectations from their external environments?

Research questions:

1. To what extent do development organizations experience demands and expectations from their environments?
2. What strategies do they use to manage it and why?

Interview:

1. For how long have you worked in this organization?
2. What is your background?
3. What sort of positions have you held?

Overview of funding situation: (sent via e-mail to your contact person in each organization because this is information they can't be expected to give right there and then)

1. How many donors does your organization have?
2. Out of the total funding, how big is the share for different donors?
3. What kind of funding do you receive? (Core-funding, programme- or project funding)
4. How often do you change donors? Could you tell about your donor-situation for the past 5/10 years?

Relationship with donors:

1. How long has the partnerships with the different partners lasted?
2. What do the partnerships contain? (funding only, programme assistance/thematic competence, networking, administrative/financial assistance, etc)
3. The support different donors give you is:
 - a. How important would you say it is to you?
 - b. Do you have any other alternatives to the funding and the other support that donors give you?
 - c. How free are you to allocate the funding according to your own priorities?

4. What can you say about power in your relationship with your donors? (f.eks linked to what you've already said)
5. What would you say are the main uncertainties for your organization?

Description of demands and expectations:

1. Do you experience demands and expectations from you donors/partners?
2. What kind of demands and expectation for your organization do the donors make?
 - a. E.g. reporting systems, design of projects, structural issues, working methods like advocacy etc, or adapted
3. How do these expectations come up? By who and in what context?
4. How relevant are these for your work?
 - a. To what extent would you say they are they in line with your own priorities?
5. To what extent would you say that the demands and expectations are similar among your different donors? Conflicting? (e.g. elaborate: how do you report to the different donors; budget systems – same for several donors; tools for planning, monitoring and evaluation; etc)
6. How have demands/expectations changed over the past 5/10 years?
7. How often do you have to deal with new demands?
8. Has your view on any of the demand/strategies changed over time?
 - a. Have
9. How do donors follow up on control of the organization?
 - a. What happens if you have problems following up on the demands?

Local/national context

- What are the expectations from your local and national environment influencing your work?

Strategies:

1. How do you deal with these demands?
 - a. E.g. when presented for requirements, what do you do? What is your room for agency or to move around within these demands?

2. If there are differing priorities between you and your donors or between expectations of the different donors – what can you do?
3. In different situation, what determines what strategic response you choose? (content, constituent, context, control, timing, cause)

Episodes to describe strategies: do you have any experience with the following situations (elaborate on these)

4. Situations where you've said no to donors' demands – what was the process before the 'no'?
5. Do you have examples of situations where showing resistance went well? Elaborate on this and the preceding situation. How did you handle this and why did you choose the strategy that you did?
6. Do you have any experience of a relationship with a donor that ended due to disagreements?
7. Has there been episodes where you have had to make dramatic shifts in your work (topics you work with, geographical areas you work in, work methods, focus groups)
8. From the literature we know that organizations sometimes talk in one way to satisfy their environment and maybe produce documents or set up structures required by their environments, but where they actually don't change their practice. They protect their core activities from too many changes.
 - a. Is this something you can recognize?
 - b. Could you give some examples?
 - c. How important is it to your organization to have coordinated action – all things pointing in the same direction? Or do you get by by reflecting different demands and satisfying many demands at the same time?
9. To what extent would you say that you have built a competence in managing these kinds of demands and expectations?

Closing

- Do you have any additional remarks or comments?

What comes next:

- Transcribe interview
- If you at any point would like to withdraw from this study, send me an e-mail.

Appendix 2: Interview guide version 2

START MED INFORMASJONSSKRIV OG CONSENTFORM! – Consent can be withdrawn at any time

Ask about recording!!

How do development organizations in the Global South manage the situation with demands and expectations from their external environments?

Research questions:

- *To what extent do development organizations experience demands and expectations from their environments?*
 - *What strategies do they use to manage it and why?*
-

INTERVIEW:

4. What is your name?
5. For how long have you worked in this organization?
6. What is your background?
7. What sort of positions have you held?
8. How big is your staff?

Overview of funding situation: (sent via e-mail to a contact person in each organization because this is information they can't be expected to give right there and then)

5. How many donors does your organization/programme have?
6. Out of the total funding, how big is the share for different donors?
7. What is the time-span for many of these partners? How many partners with short term-funding?
8. How stable is your funding situation, e.g. for the past 10 years?
 - How often do you change donors?

- Has there been times when you've feared for funding to your programmes/projects?

Relationship with partners /perceptions of partnership:

6. How long has the partnerships with the different partners lasted?
7. What do the partners contribute to you? (funding only, programme assistance/thematic competence, networking, administrative/financial assistance, etc)
8. And what do you contribute to the partners?
9. The support different donors give you is:
 - a. How important would you say it is to you?
 - b. Do you have any other alternatives to the funding and the other support that donors give you?
 - c. How free are you to allocate the funding according to your own priorities? (like can you make changes in programmes after proposals or agreements are made?)
10. How would you describe your relationship with your partners? (your role vs their role – power dimension and dependency)
11. Do you see changes in trends regarding what donors want to support?
 - a. How often do these change?
 - b. Could you give any examples?
 - c. What does this mean for your work?
12. Are there any kind of donors that are particularly important for you to keep/ to get? (because the kind of support they give, the status they have – can ease access to new donors)
13. What would you say are the main uncertainties for your organization/ your programme?

Description of demands and expectations:

10. Do donors give any conditions for supporting you?
 - a. If so, what kind of conditions/demands? E.g. reporting systems, design of projects, how to build your organization's structure, working methods like

advocacy, adjusting of the programmes in some way, adjusting geographical or thematic focus etc,. Any of these that are easier to accept or any that cause more tension?

11. (How do these expectations come up? By who and in what context?)
12. How relevant are these for your work?
 - a. To what extent would you say that they are in line with your own priorities
 - b. (Has your view on any of the demand/strategies changed over time?)
13. To what extent would you say that the demands and expectations are similar among your different donors? Conflicting? (e.g. elaborate: how do you report to the different donors; budget systems – same for several donors; tools for planning, monitoring and evaluation; etc)
14. How have demands/expectations changed over the past 5/10 years?
 - a. With regards to amount and types?
15. How often do you have to deal with new demands?
16. How do donors follow up on control of the organization?
 - a. What happens if you have problems following up on the demands?
17. All organizations are expected to be cost efficient and to meet deadlines – sometimes short deadlines, how do you experience this expectation compared to expectations of high quality in projects/programmes? Are they compatible/do they match?
 - a. How do you deal with it?

Local/national context:

- Are the demands and expectations from your governments and communities and beneficiaries sometimes different from what your donors want to do?

Strategies:

10. To what extent do you adapt to partners' demands and expectations?
 - a. E.g. when presented for requirements, what do you do? What is your room for agency or to move around within these demands?
11. Do you have any chance to negotiate, compromise, modify, say no to, avoid or influence demands and expectations?

- a. On what kind of issues?
- b. If compromise/avoid/comply – why do you choose this strategy?
- c. Examples
- d. Is there a difference in how you deal with it now and in the past?

12. *Hvis lite svar på foregående:*

Do you have examples of episodes when

- a. You've said "no" to donors' demands?
- b. Where showing resistance went well?
- c. Relationships that ended due to disagreements over conditions?
- d. Had to make dramatic changes in your work? What was the reason for this?
Funding? Local matters? Sth else?

13. If there are differing priorities between expectations of the different donors – what can you do?

14. How would you describe the trust between you and your partners? Is trust something that influence how you can handle their demands?

15. You know the situation on the ground better than your partners,- is this something that influence how you handle demands? (elaborate – some use visits, round table

16. From the literature (and from my own colleagues!!) we know that organizations sometimes produce policies or design processes within the organization to satisfy demands from outside, but where they actually don't change their practice. They protect their core activities from too many changes.

- a. Is this something you can recognize?
- b. Could you give some examples?

Closing: Do you have any additional remarks or comments?

What comes next:

- Transcribe interview
- If you at any point would like to withdraw from this study, send me an e-mail.

Appendix 3 – List of respondents

Organisation	Role
1	A – Head of programmes
	B – Head of finance and operations
	C – Team leader for one programme
2	A – Programme director
3	A – Senior Advisor
	B – Finance and administration manager
4	A – Executive director
5	A – Programme manager for one programme
	B – Finance manager
6	A – Head of finance and administration
	B – Programme advisor for one programme
	C – team leader for one programme/programme manager

Appendix 4: Information letter and consent form

Are you interested in taking part in the research project

“Development Organizations and Demands and Expectations from Donors”?

This is an inquiry about participation in a research project for a master thesis where the main purpose is to find out how development organizations in the Global South manage the situation with demands and expectations from their external environment. In this letter I will give you further information about the purpose of the project and what your participation will involve.

Purpose of the project

This project is a master thesis in Organization and Management studies at UiT The Arctic University of Norway.

The purpose of the project is to shed light on the situation development NGOs face when it comes to demands and expectations from their external environment, more specifically their donors, and to analyse how they manage this situation. To study this, I have the following research questions:

- To what extent do development organizations experience demands and expectations from their environments?
- What strategies do they use to manage this situation and what decides what strategies they use? (E.g. if there are demands that in some way are conflicting or too difficult.)

I will study this from the angle of a few Ethiopian development NGOs by conducting interviews.

Who is responsible for the research project?

UiT The Arctic University of Norway is the institution responsible for the project.

Professor Kjell Arne Røvik at the Department of Social Sciences is the project's supervisor.

Why are you being asked to participate?

I have chosen Ethiopian development organizations that have several donors. The people I want to interview in each organization are people who in the capacity of their positions

and/or history in the development field are familiar with handling demands and expectations from donors. I will conduct interviews in 3-4 NGOs.

What does participation involve for you?

If you choose to take part in the project, this will involve that I will interview a few of your staff, 2-4 persons. Each interview will take approx. 1-1,5 hours. The questions will all relate to the project's research questions. I will record the interviews for my own use only and I will anonymize the data. I will delete the recordings at the end of the project (December 2019).

Participation is voluntary

Participation in the project is voluntary. If you choose to participate, you can withdraw your consent at any time without giving a reason. All information about you will then be made anonymous. There will be no negative consequences for you if you chose not to participate or later decide to withdraw.

Your personal privacy – how we will store and use your personal data

I will record some personal data from you, e.g: name and title, name of the organization and also record the interview. I will process these personal data confidentially and in accordance with data protection legislation (the General Data Protection Regulation and Personal Data Act).

- The recordings with your answers will be transferred to a computer that is protected with a password. The transcripts from the interview will be saved on the same computer.
- Your name and title will be replaced in my documents by a code that is kept separate from the recordings and transcripts from the interview.
- The only ones that will have access to these data will be me, and my supervisor, if needed.

In the thesis, I will not identify any of the respondents, but I might have to say something about the organization.

What will happen to your personal data at the end of the research project?

The project is scheduled to end in December 2019. I will then delete recordings and transcripts from the interview. If you choose to withdraw, the recordings and notes with your information will be deleted immediately.

Your rights

So long as you can be identified in the collected data, you have the right to:

- access the personal data that is being processed about you
- request that your personal data is deleted
- request that incorrect personal data about you is corrected/rectified
- receive a copy of your personal data (data portability), and
- send a complaint to the Data Protection Officer or The Norwegian Data Protection Authority regarding the processing of your personal data

What gives us the right to process your personal data?

We will process your personal data based on your consent.

Based on an agreement with UiT The Arctic University of Norway, NSD – The Norwegian Centre for Research Data AS has assessed that the processing of personal data in this project is in accordance with data protection legislation.

Where can I find out more?

If you have questions about the project, or want to exercise your rights, contact:

- UiT The Arctic University of Norway via professor Kjell Arne Røvik,
- Student Hilda Kristine Hanssen by e-mail
- Our Data Protection Officer
- NSD – The Norwegian Centre for Research Data AS, by email: (personverntjenester@nsd.no) or by telephone: +47 55 58 21 17.

Yours sincerely,

Kjell Arne Røvik

Project Leader

(Researcher/supervisor)

Hilda Kristine Hanssen

Student

Consent form

I have received and understood information about the project “Development NGOs and Demands and Expectations from Donors” and have been given the opportunity to ask questions. I give consent:

to participate in an interview

I give consent for my personal data to be processed until the end date of the project, approx. December 31, 2019

(Signed by participant, date)

