

A blessing in disguise?

NGOs in the changing era of development cooperation

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“I think that the golden years of Dutch development cooperation are over and that development organizations truly have to be aware. The wind will blow out of the other corner.”

Stated by a respondent of this study in April 2011.

PREFACE

This Master thesis is the result of about seven months of research for the Masters program Organization Studies at Tilburg University. During the six years of my study I became intrigued by the (strategic) behavior of organizations, particularly in the way they interact with their environment. At the same time my board year for AIESEC Tilburg and my volunteer work for Cross Your Borders nourished my interest for international development cooperation and corresponding politics. When I was selected for the circle 'Internationalization and Organization Culture' I aimed to combine both fields of interests by studying the changes in the Dutch development cooperation sector from an NGO perspective. While looking back at the entire process, it was a unique opportunity for me to take a look behind the scenes of four established Dutch NGOs, the Second Chamber, the Ministry of Foreign Affairs and experts in the Dutch development cooperation field. All single interviews inspired me and I am thankful that the 19 respondents of this study were willing to share their story, insights and opinion with me.

Besides the interviewees, more people were of great importance during this research process. First, I would like to thank the Evert Vermeer Foundation for their trust, support and warm welcome. A special word of thanks goes out to Mijke Elbers from the EVF who thought along with me from the very first beginning and helped me to open doors that I could have never opened myself. In addition, I could not have written this Master thesis without my family and closest friends who assisted me to stay motivated at all times and shared lunch and (too) many coffee breaks with me at the University. Finally, I would like to thank Prof. Dr. Sjo Soeters for steering this research process into the right direction with his expertise.

I genuinely hope that this master thesis sheds some new light on the dynamic Dutch development cooperation system and the role of NGOs in this whole. For me it certainly did, and I experienced it as a challenging learning path!

Lianne Kappert

Tilburg, July 2011

ABSTRACT

The Dutch development cooperation sector has been under fierce debate in the past few years. Increased critical sounds from both the political and societal climate arose and simultaneously the Dutch government implemented several new policies from 2008 onwards with the intention to make the Dutch development cooperation system more effective. Inevitably, Dutch NGOs need to go along with and give an answer to these changes, which entails that the current development cooperation sector finds itself in tumultuous times. The main aim of this study is to investigate how Dutch NGOs strategically responded to the policy changes of the government and to examine how these movements led to a new role for NGOs. By means of a comparative case study of four Dutch NGOs, the phenomenon was analyzed and conclusions were drawn based on semi-structured interviews with employees of NGOs, experts and political persons out of the Dutch development cooperation field. It turned out that the four NGOs mostly acquiesced with the institutional pressure, above all applied a strategic focus and that the changing era of development cooperation stimulated isomorphism among NGOs. In addition, a new role for NGOs has set in based on the changes: a shift towards a more supportive and political role will take place. Future research should focus on longitudinal and transparent data to shed more light on the actual differences and increased effectiveness of the strategic responses and policy changes.

Key words: NGOs, Dutch development cooperation sector, policy changes, strategic responses, isomorphism and NGO role.

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INTRODUCTION

1.1 Research problem

The Dutch development cooperation sector has been under fierce debate in the past few years. Since his appointment as Minister for Development Cooperation in 2007, Minister Koenders strived for modernization in order to generate a more efficient development cooperation system (Ministry of Foreign Affairs, 2008; WRR Report, 2010). With the introduction of several new policy interventions, such as the co-financing system II, radical cut downs and the publishing of the 'Less Pretension, More Ambition' report from the Dutch Scientific Council for Government Policy (WRR Report, 2010), the Dutch government aimed to initiate a thorough transformation of the Dutch development cooperation sector (Ministry of Foreign Affairs, 2008). Therefore, 'in a country which liked to see itself as one of the pioneers in the field, the self-evidence of the developing aid – about which there had long been broad political and social consensus – seemed to have come to a distinct end' (WRR Report, 2010, p. 7). 'Cooperation, tailor-made work and added value' were the spearheads of the new blazed trail with which the government wanted to realize the modernization (Ministry of Foreign Affairs, 2008). With the assignment of Ben Knapen as new State Secretary of Development Cooperation in 2010, and his corresponding basic policy letter and focus areas, this modernization road will be continued. With most likely even more cut downs and changes than Minister Koenders in 2007 initially intended (Ministry of Foreign Affairs, 2010), the development cooperation debate recently burst up again.

In line with these policy changes, Bebbington (2005) noticed that the Dutch government has felt the increased need to influence the use of resources provided by them (e.g. subsidy) and to exercise a greater control over non-governmental organizations (NGOs). NGOs are organizations through which people help others for other reasons than profit or politics (Fisher, 1997, p. 442). As a result of the governmental interference, many NGOs have become less assertive and innovative in view of the fact that they are only following orders from the Ministry out of fear for losing financial support (Bebbington, 2005; WRR Report 2010). Other research also investigated that Western NGOs, and Dutch NGOs in particular, are struggling with their task, form and function (Bebbington, Hickey & Mitfin, 2008; Biekart & Fowler, 2008; De Wal, 2009). According to Schulpen (2010), this identity crisis is a consequence of all the policy changes that started in 2007.

This line of reasoning makes sense, since the policy changes have a considerable impact on the operating NGOs in the Dutch development cooperation sector. Scott (2001) confirms this by stating that organizations are more and more being confronted with institutional pressures from their environment.

Those demands derive from institutions which Scott (2001) defines as ‘multifaceted durable social structures, composed of regulative, normative and cultural-cognitive elements that provide stability and meaning to social life and guide individual behavior’ (p. 49). The government can be seen as an institution that imposes regulative forces to which NGOs need to adapt (Scott, 2001). Especially NGOs, which are mainly dependent from government subsidy and legitimacy, need to conform to these policy changes in order to enhance their survival chances (DiMaggio and Powell, 1991). This compliance strongly influences the strategies of NGOs, and, in addition, Oliver (1991) outlines several strategic responses to institutional pressures. Pache and Santos (2010) build further on this work and examine how actors within organizations experience and manage conflicting institutional demands.

Some discussants see the cut downs and policy changes as a blessing in disguise that is rather painful for NGOs on the short term but in the end better for everyone because the system may be more effective (Vice Versa, 2011). Is it that simple? The policy implementations of the Dutch government and the subsequent strategic responses of the NGOs are therefore an interesting topic to study. Since development aid currently occurs in a changing context, the Netherlands and therewith Dutch NGOs as well need to keep up with this state of flux (WRR Report, 2010). At the same time the evidence of the effectiveness of development aid is lacking and therewith under fire (Oxfam, 2011), which led to a lower public support of Dutch inhabitants for development cooperation. These movements and interactions result in the fact that both the government and NGOs are screaming for a radical change and clearness.

1.2 Research question

The research question that can be derived from the above is:

How do Dutch NGOs respond to the policy changes of the government and in what way do these strategic responses as well as the policy changes themselves shape a new future role for NGOs?

1.3 Relevance of the research

This research area is relevant because the recent policy interventions of the Dutch government were implemented to enhance the cooperation and effectiveness of NGOs and eventually intend to modernize the Dutch development cooperation sector (Ministry of Foreign Affairs, 2009; WRR Report, 2010). While conducting this study, I can analyze whether this is achieved in practice and shed light on the actual consequences that the new policy shows to have on NGOs. By using Oliver’s model (1991) of strategies and tactics, this study can moreover provide understanding about how NGOs deal with the new blazed trail of the government. In addition, this study can offer insights in the current and new

expected role for NGOs in the changed Dutch development cooperation system. According to many scholars this part is missing in the WRR Report (Oxfam, 2011; Schulpen, 2011). Furthermore, empirical research that has examined the consequences of the changes in the Dutch development cooperation sector is limited. With the current modernization aim of the government, it is therefore relevant to conduct a study about the dynamic interaction between NGOs, the Dutch government and the public sphere. By using institutional theory as a basic principle of this interaction, this study contributes to the current literature about responses to institutional pressures and adds a vital comparative case study about how NGOs, instead of profit organizations, interact with their environment.

THEORETICAL BACKGROUND

2.1 History of the Dutch development cooperation sector

In 1949, the Dutch Government for the first time made money available for development aid (1.5 million Dutch guilders) and even though the policy was mostly focused on decolonization, it was a promising start (WRR Report, 2010). The trend got through and later on in the sixties the memorandum became more tailored towards world improving goals, the reconstruction of developing countries and therewith more closely connected to the VN standards. At that point in time, the Netherlands had two leading motives to start providing development aid (WRR Report, 2010).

First, self-interest played a major role in the decision to give money to developing countries. By contributing to the worldwide development, the Netherlands could yield influence in the international arena which moreover could lead to making more money via lucrative international free trade agreements. In addition, development aid contributed to a stable world and with that to a worldwide survival, which in the end is also beneficial for the Netherlands.

In addition to this self-interest purpose, there were of course also morale motives which played a role in the start-up of this Dutch development aid policy (WRR Report, 2010). Striving to help fellow men elsewhere on the planet with the intention to create a better world became a strong motivation for development aid. Therewith global justice became the ultimate goal to reach and by making money available for development aid, the Netherlands started to contribute its mite to this.

Next to the rise of the different motives, the sixties brought along some more changes in the Dutch field of development aid. Until 1963, the development aid of the Dutch government was only rendered via collaborating with international organizations (multilateral aid) but the self-interest motive of generating export orders led to an incremental shift to bilateral aid (WRR Report, 2010). This implied that the Dutch government started to lay more focus on providing direct development aid to specific developing countries. At the same time, the morale motive led to the rise of non-governmental organizations (NGOs) in the Netherlands which showed to have the strength of being independent and small sized (Van de Walle, 1999). Before going into more depth about the rise of NGOs, I will first explain the nature of these organizations.

Non-Governmental Organizations (NGOs)

Worldwide many different NGOs exist, which implies that there are numerous classifications available and that it is rather hard to give one general and all-embracing definition. Vakil (1997) sees NGOs as 'self-governing, private, not-for-profit organizations that are geared to improve the quality of life of

disadvantaged people' (p. 2060) while Salamon and Anheier (1997) attempted to standardize the NGO definition by outlining five key characteristics of these organizations namely 'formal, non-profit distributing, private, voluntary and self-governing' (p. 211). Gauri and Fruttero (2003) use a wide and appropriate explanation, which fits to the morale motive outlined above, by defining NGOs as 'non-profit organizations presumably guided by altruism' (p. 1). This implies, and most definitions agree upon this, that NGOs do not aim to make profit but rather want to serve others as an end goal in itself.

Despite of the lack of agreement concerning the precise definition of NGOs, a clear distinction that can be made is the one between Southern and Northern NGOs (Fisher, 1997). Southern NGOs are located in developing countries and therewith close to the development aid projects, area of interest and poor people. Northern NGOs on the other hand, are usually situated in developed Western countries and therewith close to donors with the main aim to collect funds (Fisher, 1997). Normally these Southern and Northern NGOs cooperate in order to provide the best development aid possible. This study focuses on (Northern) Dutch NGOs that have development, and therewith altruistic, purposes.

NGO-ization of development aid

Since the number of NGOs was rising rapidly, the Dutch government decided in 1964 to start with assigning subsidy to non-profit and private organizations. Although aid via multilateral and bilateral channels was still valid, this was the beginning of the NGO-ization of aid in which 'NGOs started to play a more and more fundamental role in development aid practice and in the execution of policy' (WRR Report, 2010, p. 44). At that moment there were three large active NGOs in the Netherlands that received subsidy from the government; Novib, ICCO and Cordaid. In 1978, Hivos joined this group and soon they were called the 'Gang of Four'. At the same time, the provided subsidies from the government raised from being 5 million Dutch guilders in 1965 to being 350 million Dutch guilders in 1990 (Vice Versa, 2007). While the NGOs, to some extent, were dependent from the government during these times, the freedom of movement to use the co-financed resources was high and the effectiveness of the four NGOs was hardly ever questioned (Bebbington, 2005).

This changed in 1998 when Minister Hefkens took office and opened the gates of the co-financing system in the Dutch development cooperation sector. With that, the arm's-length relationship of the Dutch government and the 'Gang of Four' was distorted since the government felt the increased need to exercise control over the NGOs in order to improve the overall effectiveness of development aid. According to Bebbington (2005) this enlarged exercised control was manifested in several ways. First,

the Dutch government allowed other NGOs to become entitled for subsidy which increased the competition between the organizations. In addition, the NGOs were obligated to give account about how they were planning to use the subsidy and had to show the government more details about their strategies and projects (Bebbington, 2005).

Fragmentation

This increased governmental intervention resulted in some vital changes in the Dutch development cooperation sector. Since new NGOs could gain more ground, the sector became highly fragmented and soon the Netherlands was leading in the number of NGOs in Europe while keeping 300 NGOs in 2009 (WRR Report, 2010). Although NGOs were seen as very effective aid channels (Van de Walle, 1999), a fragmented development cooperation sector showed to be not that effective (Ministry of Foreign Affairs, 2009a; Acharya, Fuzzo de Lima & Moore, 2006). It entails that many NGOs work independently on the same topics and in the same developing fields (Easterly & Pfitze, 2008; Kharas, 2007; WRR Report, 2010). Next to this overlap in working field, Dutch NGOs generally invest in the same countries where they consequently hamper each other (Koch, Dhreher, Nunnenkamp & Thiele, 2009). This disintegration in themes, countries and channels is costly and inefficient (Kharas, 2007; Birdsall, 2004).

First of all, it costs money in both the short- and the long term. Unnecessarily wasting resources like duplications in country analytical work and costs associated with rules and procedures for managing aid programs are transaction costs recipient countries face with a short-term nature (Easterly & Pfitze, 2008). On the long term fragmentation leads to a larger problem since during the aid provision, single NGOs often focus on doing practices that tend to undermine the development of the country. These sole and fragmented practices do increase the visibility of the success of a NGOs' individual project, but overlook the overall and long-term development of recipient countries (Knack & Rayman, 2003). It is obvious that these direct and indirect transactions costs of aid fragmentation reduce the value of aid and are therewithal not beneficial for recipient countries (Birdsall, 2004).

Next to the aid value reduction, fragmentation is inefficient for recipient countries as well. If developing countries work together with many partners, all NGOs are responsible for only a small part of the development aid and therewith the success or failure responsibility is also diffused. Birdsall (2004) drafts this inefficiency by stating that 'NGOs are neither competing nor collaborating; they are in effect colluding' (p. 20). By not joining their forces and often forget to keep in the mind the overall interests of the developing countries, donors fail to get the best out of their aid assistance.

Governmental dependency

Besides fragmentation, the increased governmental intervention from 1998 onwards moreover resulted in the fact that NGOs have become increasingly state dependent. While the name of the NGOs provoke that they are non-governmental, NGOs are not able to get round a relationship with the government since the majority of them receive most of their funds incomes via governmental subsidy. A good and healthy collaboration between NGOs and the government is needed in order to scaling-up the impact of NGOs activities (Atack, 1999). Fisher (1997) outlines that NGOs often have an intimate relationship with their home government, which is characterized as 'uncertain and dynamic, sometimes cooperative, sometimes contentious and sometimes both simultaneously' (p. 451). Although Dutch NGOs became the biggest of Europe with help of governmental support, the question rose whether or not the 'suffocating embrace' of the Dutch government was desirable and beneficial for the functioning of NGOs (WRR Report, 2010). As a result of this dependency and controlling role of the government, many NGOs have become less assertive and innovative and their comments role experienced threat (Bebbington, 2005; WRR Report, 2010). Instead of challenging the development policy, NGOs merely followed orders from the Ministry out of fear for losing subsidy which eventually could harm the development of the Dutch development sector (Bebbington, 2005). Given the fact that the focus of NGOs therewith partly has shifted away from empowering others toward serving the organization as its own end because of self-interest, this is not in line with the altruistic goal that NGOs originally had (Bebbington, 2005; WRR Report). As a result goal displacement took place, which altered the purpose of NGOs into more self-fulfilling organizations.

With the shifting focus and the fragmentation problem in mind, and given the fact that development aid globally occurred in a changing context the last couple of years, the Dutch government decided in 2007 that it was time to stir (WRR Report, 2010). So when Minister Koenders took office as Minister for Development Cooperation and made his 'modernization agenda' ideas public, the Dutch NGOs left apparently no other option then to follow the new blazed trail steadily.

2.2 Institutional pressure from changes in the Dutch development policy

In the beginning of 2008, the modernization agenda started to take shape and the Dutch government realized several new policy implementations in order to transform the Dutch development cooperation system. The diverse changes, which all directly or indirectly had a considerable influence on NGOs, are outlined below.

New subsidy system

The Netherlands owns a unique subsidy system with roots in 1965 when the ‘Gang of Four’ received money from the Dutch government. Both the amount of money available for NGOs and the percentage of overall development aid budget that was devoted to NGOs raised immensely (Ministry of Foreign Affairs, 2009a). This changed when Minister Koenders started with the implementation of his modernization agenda in 2008, since the most important part of this modernization process contained the implementation of co-financing system II (Ministry of Foreign Affairs, 2008). This is a new subsidiary framework for Dutch NGOs that devote themselves to structural poverty reduction (Ministry of Foreign Affairs, 2009).

The alteration from co-financing system I (valid from 2007-2010) to co-financing system II (valid from 2011-2015) resulted in a fundamental change in the subsidy division of the government. Like outlined above, the Dutch development cooperation sector is highly fragmented (Easterly & Pfutze, 2008; Kharas, 2007; WRR Report, 2010). The government wanted to decrease that fragmentation and by stimulating Dutch NGOs to cooperate with each other, forces could be combined for the provision of valuable development aid (Ministry of Foreign Affairs, 2008). This NGO cooperation was provoked in co-financing system II by diminishing the number of organizations that made claim to receive subsidy. In the new system, a maximum of 30 NGOs could obtain subsidy from the government, whereas in the previous co-financing system I this number was 72. Since the Netherlands houses around 300 NGOs, by far not all NGOs could claim subsidy. Forming alliances with other NGOs therefore became essential and this had a large impact on NGOs’ strategic behavior. In the appendix an overview of all the 19 alliances that received subsidy out of co-financing system II can be found.

Moreover, according to Koenders more fine-tuned aid was needed in order to increase the effectiveness of the development cooperation system. This was aggravated via the new subsidiary system as well, since alliances needed to spend 60 percent of the received amount in partner countries of the Netherlands. These are 33 countries in total and contain for example of Ghana, Jemen and Bolivia with which the Dutch government has an enduring relationship (Ministry of Foreign Affairs, 2009). For example, if the Dutch government bilaterally supports the Ministry of Health in Ghana, Dutch NGOs could execute programs in this country to increase the health care rights of the poorest people. This should ultimately lead to a more effective use of the overall Dutch aid budget. However, Dutch NGOs needed to adapt to this new regulation in order to be able to fit this into their programs for a valid subsidy request.

Besides, co-financing system II has less money to provide. Co-financing system I, ongoing from 2007 until 2010, had 567 million Euros per year available for NGOs whereas co-financing system II only had 425 million Euros a year to divide (Ministry of Foreign Affairs, 2009). This is a reduction of 33 percent of the subsidy that is on hand for all NGOs. Although this cut down can mostly be dedicated to the economical crisis, it implies an enormous downturn in budget for most of the Dutch NGOs.

Publication of the WRR Report

Related to the aim for an improved development cooperation system, the report 'Less Pretension, More Ambition' from the Dutch Scientific Council for Government Policy (WRR) was published in the beginning of 2010. This scientific report investigated the developments and future of the global and national development aid cooperation and intends to provide recommendations for the Dutch government on how to pursue a good development policy framework in the upcoming years. It is based on a comprehensive literature study in combination with more than 100 interviews in the development field.

The main outcome of the report is that in order to remain international authority in this field, the organization of the Dutch development aid needs professionalization and specialization in order to make a difference. Because of the globalization and worldwide growth, development policy should concentrate itself on impactful, global questions instead of only providing classical aid (WRR Report, 2010). To put it more direct, development aid should become more *development focused*.

Moreover, extra attention needs to be paid to the involvement and stimulation of the private sector since there occurred a considerable shift from 'aid' to 'investment' in development cooperation. Development aid is seen as project-based without long term effects, while investment is seen as contributing to structural improvements that will make the developing countries more self-reliant in the long run. Development aid should therewith try to stimulate countries and people to be able to act and live independently and therefore focalize on economical growth (WRR Report, 2010).

In order to increase the effectiveness of the Dutch development aid, the WRR Report in addition advised the government to concentrate on a long-lasting cooperation with 10 countries. This is an incremental decrease in comparison with the 33 countries in which the Netherlands is currently active (Ministry of Foreign Affairs, 2010). Besides this country based specialization, the Netherlands should also focus on policy themes of which we are internationally seen as being outstanding in (e.g. water and agriculture). This specialization process requires a professional designing of aid and as a possible interpretation the WRR Report (2010) comes up with a coordinating development organization called NLAID. The idea is that in several development countries a Dutch office of NLAID will be held in order to

coordinate all projects and other forms of aid executed by Dutch NGOs. Such a coordinating body, if implemented well, leads to less fragmentation and is able to mobilize the Dutch expertise where needed most.

Overall the WRR Report (2010) made clear that changes towards a professional, specialized and a development focused cooperation system need to be made in order to be of actual help and to keep afloat in the global world of development aid (WRR Report, 2010).

New government

When the new government took office in October of last year, this WRR Report was used as guideline to set out a new development cooperation policy. Ben Knapen, as new State Secretary of Development Cooperation, received most recommendations with open arms. In his first Chamber letter concerning development cooperation he states that ‘Development cooperation is an important and integral part of our broad foreign policy. Based on international publications, the Netherlands belongs to the best donor countries worldwide. However, we need to furnish larger effort in order to refute the criticism about the effectiveness of our development aid. Therewith this cabinet strives for a fundamental revision of the current Dutch development cooperation policy’ (Ministry of Foreign Affairs, 2011).

First of all, the new government decided to shorten on the policy themes and to diminish the partner countries drastically (Ministry of Foreign Affairs, 2011). The four main spearheads of the Dutch bilateral development cooperation policy will be security and legal order, water, food security, and sexual and reproductive health and rights. Besides the partner countries will be diminished down to 15, whereas this number was 33. Only Afghanistan, Bangladesh, Benin, Burundi, Ethiopia, Ghana, Indonesia, Yemen, Kenya, Mali, Mozambique, Uganda, Palestine, Rwanda en Soudan keep their status of Dutch partner country. Furthermore, the request from the WRR Report for a focus on the improvement of the self-reliance of developing countries to deal with poverty issues was followed. Stimulate economical growth and provide more long-term investments are seen as focal points in Knapen’s modernization plans (Ministry of Foreign Affairs, 2011).

However, the government certainly did not take all recommendations from the WRR Report for granted (Ministry of Foreign Affairs, 2011). Although they recognize that the Dutch development cooperation system needs more expertise, NLAID is not seen as a suitable solution. Besides, they argue that the WRR Report paid less attention to the role and added value of NGOs. The new government sees NGOs as key figures in development cooperation since they are, more than governments, able to reach fragile

population groups and control authorities and institutions. However, NGOs are seen as to state dependent and therefore need to strengthen their ties with the society and enter into contemporary alliances with different parties and networks. This is with the intention to decrease the NGOs' extensive financing of the government (Ministry of Foreign Affairs, 2011). Yet, Knapen also wants to involve the business world (private sector) by using their knowledge and expertise to stimulate economic growth in developing countries. This cooperation will be designed via public-private partnerships and business instruments and a larger part of the development cooperation budget will be devoted to these initiatives (Ministry of Foreign Affairs, 2011).

Based on these shifts of grounds, 'coherence in development cooperation policy, economical growth and trade promotion' became the main topics of the new development cooperation policy of cabinet Rutte (Ministry of Foreign Affairs, 2010).

Public support

An important feature that the Dutch government wants to increase as well with the modernization process is the public support for development cooperation, which indirectly has a lot to do with NGOs. Traditionally, the Netherlands knows a considerable public support for development cooperation but recently the doubts are taking over (Helmich, 2009). The percentage of people who think that the governmental development aid budget needs to decline has grown up to 50 % in 2010 and at the same time the skepticism about the benefits and effectiveness of development aid raised tremendously as well (NCDO, 2010). Critical books, both national as international, are written and evoked the societal discussion about whether NGOs and development cooperation is actually needed and effective. William Easterly and Dambisa Moyo formed the international forefront of this debate and Linda Polman and Arend Jan Bokestijn stirred the discussion in the Netherlands. Especially 'Dead Aid' from Moyo and 'De Crisiscaravaan' written by Polman are widely read books in the Netherlands and expose the myth of development work. A broad social basis is needed in order to enhance this confidence. The new subsidy facility for citizenship and development cooperation (SBOS), which replaces the subsidy facility of the NCDO, is putted forward in the modernization agenda as a solution for this gap in trust.

SBOS promotes the accomplishment of activities which advances opinion creation, awareness and active commitment to international development cooperation (SBOS, 2011). By subsidizing such projects and programs the government aims to create global citizens, which are people that 'are aware of the effects of their acting on the rest of the world and take their responsibility in this' (SBOS, 2011). Eventually the government hopes that more global citizens will lead to a change in the behavior of the Dutch society as

a whole. NGOs often are active in organizing such activities or projects that contribute to the enlargement of global citizenship, and can request SBOS subsidy from the government for this (SBOS, 2011). Ultimately this new subsidy system aims to increase the broad social basis of the importance of development aid in the Netherlands and NGOs therefore have to keep in mind their role as magnifier of the awareness of the meaning of development aid.

Cut downs

Last, but probably not of least influence on the sector, the new government drastically cuts down on the development aid budget (Ministry of Foreign Affairs, 2010). Each country has a budget for 'Official Development Assistance (ODA)' and in 2008 the Netherlands was ranked 8th at this list while spending 6.9 billion Euros (0.8% of the Dutch GNP) to development aid (Polman, 2008). Yet, in 2009 Koenders already brought cut downs into action and in 2010 the Netherlands 'only' spend 4.2 billion Euros (WRR Report, 2010).

Last year, the new government announced to decrease the development aid budget even more drastic. The objective is that from 2012 onwards the Dutch aid budget will be 0.7% of the GNP whereas in 2011 it will first be reduced up to only 0.75% of the GNP. Notwithstanding the fact that the new government still meets the terms of the agreement made in 1970 between the UN and Western donor countries to spend at least 0.7% of the GNP to development aid (Polman, 2008), these measures yield a saving of about 2.77 billion Euros in the upcoming four years (Ministry of Foreign Affairs, 2010). Next to that, cabinet Rutte also wants to stretch the rules of the ODA by including the international climate policy and peace missions in the 0.7% GNP guideline.

These cut downs ultimately also have consequences for the amount of subsidy that the government provides for Dutch NGOs. Based on the savings, the government decided to shorten the subsidy assigned by co-financing system II even further with 12.5% on a yearly basis. This means that instead of the 425 million Euros available for all the alliances of NGOs, the budget is now only 372 million Euros on a yearly base. This 'cut back' will be divided up proportionally which implies that the large alliances with Hivos, Oxfam Novib en ICCO suffer the highest loss (Ministry of Foreign Affairs, 2010). This is illustrated in the table below (in millions). The second column illustrates the total received subsidy per alliance for the entire co-financing system II period, whereas the third column shows the subsidy per year. Eventually this yearly amount can be compared with the subsidy received in 2010 per alliance, which leads to the overall percentage differences in the last column.

	Alliance name	Total received subsidy out of co-financing system II (2011-2015)	Subsidy per year during co financing system II (2011-2015)	Subsidy in 2010	Difference in yearly subsidy 2010 in comparison with 2011 (%)
1	Transition in the East Alliance	8.053	1.610	43	3644%
2	Child Rights Alliance	46.395	9.279	602	1441%
3	Connect now	18.730	3.746	2.424	55%
4	United Entrepreneurship Coalition	18.998	3.800	2.465	54%
5	Dutch Consortium for Rehabilitation	56.417	11.283	7.981	59%
6	Freedom for Fear	39.989	7.998	6.030	33%
7	Together4Change	41.278	8.256	6.596	25%
8	SHHR Alliance	40.009	8.002	6.493	23%
9	Fair Green Global Alliance	21.768	4.354	4.091	6%
10	Connect 4Change	36.541	7.308	16.626	(-) 56%
11	ICCO Alliance	301.981	60.396	118.570	(-) 49%
12	IMPACT	332.552	66.510	128.596	(-) 48%
13	Disaster & Climate change Alliance	31.756	6.315	10.572	(-) 40%
14	Samen voor verandering	317.693	63.539	101.439	(-) 37%
15	WASH Alliance	40.455	8.091	12.762	(-) 36%
16	Ecosystem Alliance	35.363	7.073	11.032	(-) 36%
17	Hivos Alliantie	243.274	48.655	68.879	(-) 30%
18	Press Freedom 2.0	17.222	3.444	4.112	(-) 18%
19	Woord en Daad & Red een Kind	29.964	5.992	6.530	(-) 1%
	Total	1.678.438	372.154	515.843	(-) 28 %

Table 1: Alliances of the co-financing system II with subsidy loss in millions (Ministry of Foreign Affairs, 2010).

It is easy noticeable that these cut downs, with an average decrease of 28%, will have far-reaching consequences for the work and strategies of Dutch NGOs. NGOs will thoroughly feel the governmental savings on the development cooperation budget and need to find a way to handle with the decrease of financial support from the government.

Thus, with several new subsidy systems, a published WRR report, a new government which stresses effectiveness, an increased societal criticism and major cut downs it should be clear that the Dutch development cooperation sector finds itself in turbulent times. The role of NGOs is under fierce debate and for that reason they need to make big steps in order to keep afloat.

2.3 Strategic responses to institutional pressure

Like outlined above, NGOs became increasingly dependent on the government since the 1990s and nowadays Dutch NGOs can be seen as highly state-dependent (WRR Report, 2010). Therefore, the major policy changes and accompanying turbulent times that the Dutch government enforces have an impactful effect on the functioning of Dutch NGOs.

Institutional theory argues that there are strong external forces for organizations to conform to norms, expectations and regulations of their institutional environment (Scott, 1995; DiMaggio and Powell, 1991). Conformation to the above outlined institutional rules and policy of the Dutch government is crucial for NGOs to maintain legitimacy and to survive (DiMaggio and Powell, 1991; Pache & Santos, 2010). Suchman (1995) defines legitimacy as 'a generalized perception or assumption that the actions of an entity are desirable or appropriate within some socially constructed system of norms, values, beliefs, and definition' (p. 574). This legitimacy is of great importance for NGOs, since the increased role of NGOs in development processes, the reward for their work and financial sources are often based on legitimacy established from their environment (Atack, 1999).

Nonetheless, legitimacy is not something easily established and therefore gaining and maintaining legitimacy is a challenge for NGOs. Acquiescence to external forces like governmental policy and developments in the South will contribute to the acceptance of a NGO by its environment and therewith lead to NGOs' legitimacy (DiMaggio and Powell, 1991). However, a heterogeneous and powerful environment and the fact that stability frequently entails rigidity, could hinder the maintenance of this retrieved legitimacy since perceiving change is seen as necessary for this (Suchman, 1995). Rigidity in particular makes perceiving change rather difficult because it hampers responsiveness to shifting conditions. This organizational rigidity mostly occurs when organizations face a certain threat condition (Staw, Sandelands & Dutton, 1981). This could apply for NGOs while they possibly conceive threat from the powerful government. Conceiving threat often leads to an increased formalization of procedures in organizations and this eventually could lead to a constriction of control and rigid organizational behavior of NGOs. This could hinder the maintenance of NGOs' legitimacy and therefore NGOs that seek for legitimacy need to take rigidity into account (Staw, Sandelands & Dutton, 1981).

Simultaneously, if many organizations quest for gaining legitimacy in their larger environment by complying with institutional pressure, a more homogeneous organization force could occur (DiMaggio & Powell, 1983). This happens because organizational structures then arise out of institutional constraints imposed by the environment. Eventually this leads to the fact that organizations start to look like one

other, which is referred to as institutional isomorphism. Institutional isomorphism is described as ‘the similarity of a focal organization to other organization in its environment and thus examines the resemblance among a set of organizations’ (DiMaggio & Powell, 1983, p. 151). Research in organizational theory supports the idea that organizations are structured by phenomena in their institutional environment and are likely to become isomorphic with them (Meyer & Rowan, 1977).

According to institutional theory, a fundamental consequence of isomorphism is the acceptance of an organization by its external environment (DiMaggio & Powell, 1983), which is considerably important to NGOs. Therefore the isomorphism logic could apply for NGOs that strategically respond to the policy changes and cut downs of the Dutch government, while acquiescing to the pressure in order to gain legitimacy seems to be an obvious choice for them. In agreement with this line of thought, neo-institutional theory to the study of NGOs advocate that NGOs that more and more cooperate and comply with the government become isomorphic in their structures and processes (Ramanath, 2009).

However, literature shows that responses to the pressures from the Dutch government could differ between organizations as well since they are largely dependent on the strategic decisions made by the management (Judge & Zeithaml, 1992; Oliver, 1991). Whereas institutional theory is rather deterministic and places large emphasis on environmental norms and legitimacy seeking as explanations of organizational responses, the strategic choice perspective has a slightly different basic principle (Judge & Zeithaml, 1992). Strategic choice theorists mostly use actions that organizational members take to adapt to their institutional environment to explain organizational strategic behavior, and with that have a more nondeterministic starting point (Bourgeois, 1987). This implies that, according to this perspective, the managements of NGOs have a considerable influence on the employed strategic responses. Since these managerial decisions are likely to differ among NGOs, diverse strategic responses can be expected when Dutch NGOs react to their institutional pressure.

Next to those possible managerial decision differences, not all NGOs might be able to change their strategies either at their core or periphery activities based on the policy changes (Hannan & Freeman, 1984). In addition to the fact that organizations that face a certain threat condition can become rigid, a strategic decision process can be rather inert and requires resources and time, which makes active responses somewhat difficult (Judge & Zeithaml, 1992). This hindrance of change is called ‘structural inertia’ by Hannan and Freeman (1984) and implies that some organizational structures, under certain circumstances, might show inertia while facing institutional turbulence. This occurs when the rate of organizational strategic and structural change is much lower than the speed at which environmental conditions change. Small organizations are less ponderous than large ones and in

addition are more likely to attempt change; the exerted structural inertia probably differs between small and large NGOs (Hannan & Freeman, 1984).

Eventually, both institutional theory and the strategic choice perspective agree that exposure to institutional pressure calls for NGOs to implement a certain level of strategic action (Clemens & Cook, 1999). In line with this, Oliver (1991) presents a model of different strategies and tactics that organizations may enact while responding to institutional pressures. Five types of strategic responses are suggested which 'vary in the extent of organizational resistance to the pressure, from passive conformity to proactive manipulation: acquiescence, compromise, avoidance, defiance and manipulation' (Oliver, 1991, p. 145). Oliver (1991) and DiMaggio and Powell (1991) forecasted that organizations exposed to pressures from powerful institutions on which they are dependent for gaining legitimacy or resources, are more inclined to acquiesce. Like outlined above, this legitimacy-seeking probably holds for NGOs because they are mainly dependent from governmental subsidy (WRR Report, 2010). An overview of these different strategic responses with corresponding tactics and examples can be found in table 2 and will be outlined below.

Available response strategies to institutional pressure		
Strategies	Tactics	Examples
Acquiescence	Habit	Following invisible, taken-for-granted norms
	Imitate	Mimicking institutional models
	Comply	Obeying rules and accepting norms
Compromise	Balance	Balancing the expectations of multiple constituents
	Pacify	Placating and accommodating institutional elements
	Bargain	Negotiating with institutional stakeholders
Avoid	Conceal	Disguising nonconformity
	Buffer	Loosening institutional attachments
	Escape	Changing goals, activities or domains
Defy	Dismiss	Ignoring explicit norms and values
	Challenge	Contesting rules and requirements
	Attack	Assaulting the sources of institutional pressure
Manipulate	Co-opt	Importing influential constituents
	Influence	Shaping values and criteria
	Control	Dominating institutional constituents and processes

Table 2: Strategic responses to institutional pressure (Oliver, 1991).

Acquiescence

When organizations assent to institutional pressures, Oliver (1991) defines that response as acquiescence. It is seen as the most passive response strategy of all five. Nevertheless, acquiescing to pressure is a broad response and can therefore be subdivided into some different forms as exposed in the figure above (Oliver, 1991). Habit refers to unconscious devotion to taken-for granted rules and/or values and often occurs when institutional pressures have achieved the status of a social fact. Imitation implies that organizations either conscious, or unconscious, duplicate institutional models from other successful organizations and eventually could lead to isomorphism (DiMaggio & Powell, 1983). This could be the case when NGOs start imitating each other's programs or application strategies in order to receive more subsidies from the government. Compliance is considered as the most active form of acquiescence and described by Oliver (1991) as conscious accord to - or incorporation of - norms, values and/or institutional requirements.

Compromise

While responding to institutional pressure, the situation could occur that NGOs face conflicting institutional demands or inconsistencies between the governmental demands and partners, developing countries or internal objectives related to efficiency or autonomy (Oliver, 1991; Pache & Santos, 2010). In these situations NGOs might want to go beyond acquiescence and promote their own interests by balancing, pacifying or bargaining with external institutions that pressurize them. Balancing is a strategic tactic for settling multiple constituent demands in response to institutional pressure. NGOs therewith attempt to achieve uniformity among or between multiple stakeholders and internal interests (Oliver, 1991). Pacifying refers to strive for partial conformity with the expectations of one or more constituents and therewith create reconciliation. NGOs that chose for this response show minor levels of resistance to institutional pressures but devote most of its energy to comforting the institutional resources it has resisted. Bargaining is the most active form of compromising in which the organization tries to exact concessions from the external party (Oliver, 1991).

Avoidance

When NGOs do not see the need to compromise nor acquiescence they could choose avoidance as strategic response (Meyer & Rowan, 1977; Oliver, 1991). This means that organizations aim to exclude the necessity to conform to institutional pressure. Concealment is seen as a tactic for organizations to execute that via disguising their nonconformity behind a cover-up of acquiescence (Oliver, 1991). An example for this tactic could be that NGOs pretend to change their procedures but have no intention to actually implement them. Buffering is another option to avoid institutional pressure, which is the

organizations' attempt to decrease the extent to which it is evaluated externally by separating its technical activities from external intervention and public support (Oliver, 1991; Pache & Santos, 2010). The final tactic, escape from institutional pressure, is rather more exceptional. By enacting this tactic, organizations leave the field within which pressure is exercised or significantly modify their goals and activities to keep away from the necessity of conformity.

Defiance

As soon as NGOs unequivocally reject the institutional norms and/or expectations of their institutional environment, they enact a defiant strategy. This strategy is seen as a more active form of resistance to institutional processes than the previous strategies and encompasses three tactics as well (Oliver, 1991; Pache & Santos, 2010). Dismissing is seen as the ignoring of institutional pressures and often occurs when internal objectives deviate radically from the institutional values and requirements (Oliver, 1991). For example, if the government wants a strong focus on water and agriculture devoted aid it is possible that a certain NGO does not see that as beneficial. At that moment a value conflict arises and the NGO could choose to dismiss the pressure. If organizations challenge institutional pressure, they take an offensive position towards the pressure and make a virtue of their rebellion. The last possible defiance tactic is attacking, which implies that NGOs strive to disparage or strongly criticize the external constituents with corresponding institutionalized values (Meyer & Rowan, 1977; Oliver, 1991). This last tactic is seen as a more aggressive opposing to institutional pressures than the previous two and is not likely to occur in the NGO sector since most NGOs are mainly dependent on the government.

Manipulation

The last and at the same time most active strategic response to institutional pressure is manipulation, which can be described as 'the purposeful and opportunistic attempt to co-opt, influence or control the institutional pressures and evaluations' (Oliver, 1990, p.157). NGOs co-opt the source of pressure, when they for example attempt to talk an institutional constituent into the organization. The intention of this tactic is to satisfy the institutional opposition and give a sign of worthiness to the external environment. Influence tactics arise when NGOs manipulate certain institutionalized values, beliefs and criteria of acceptable practices and performance (Oliver, 1990). At last, controlling refers to specific efforts made by NGOs to establish power and dominance over external constituents (government).

Although NGOs are most likely not able to influence or control their external environment entirely, since the government has the ultimate power over the provided subsidies and the policy directions. However, manipulation can still take place at a different manner. In general, two assumptions about the relation between ideas of constituencies and actions of organizations are that

ideas and actions are always consistent, and that ideas usually control actions (Brunsson, 1993). This should therefore also be applicable for the relationship between the ideas of the government and the corresponding actions of the NGOs. However, when achieving consistency and control between these governmental ideas and actions of NGOs appears to be difficult, NGOs can partly solve this by applying justification or hypocrisy as mild forms of manipulation (Brunsson, 1993). Justification could overcome the lack of consistency between ideas and actions, and takes place when NGOs defend their accomplished actions in order to justify them to their constituents (Brunsson, 1993). Organizational hypocrisy on the other hand, can partly solve the control difficulty and occurs whenever organizational talks, decisions and actions are not aligned with each other. When NGOs do not act in the way they say that they act, for example when they aim to become more decentralized but still increase their Dutch workforce, organizational hypocrisy is produced. According to Brunsson (1993) organizational justification and hypocrisy are not necessarily bad responses and because of all the conflicting demands they face from their environment, those might be the only alternatives for NGOs to operate.

Conflicting demands

Aligned with this, Pache and Santos (2010) critically build further on the work of Oliver (1991) by arguing that acquiescence is almost unattainable since organizations are increasingly subject to conflicting institutional demands. Conflicting demands occur when institutional constituents in the external environment of the organization disagree about the exposed institutional pressure. They are likely to emerge in fragmented fields (Pache & Santos, 2010) and since NGOs collaborate with many institutions like governments, partner organizations and developing countries, NGOs may therefore be exposed to conflicting demands as well.

According to Pache and Santos (2010), an organizations' strategic response is a function of the nature of these conflicting demands and of the level to which the demands are internally represented in the organization. The nature of demands may affect strategic responses at the ideological level by imposing which *goals* are valid to uphold, or at the functional level by requiring organizations to implement suitable *means* of action (Pache & Santos, 2010). If for example the Dutch government puts pressure on NGOs to focus more on direct poverty reduction while the experts and critics want NGOs to enact a more political and lobby role, NGOs face a conflicting demand with goal nature. An example of a conflicting demand with means nature is when the Dutch government encourages NGOs to operate from the head office in the Netherlands while Southern partners would like to see them work more decentralized.

Internal representation implies the extent to which conflicting demands are enacted and internalized within an organization and its members and in that way influences the stakes that are involved in the strategic response (Pache & Santos, 2010). This varies from *absent* internal representation, whereas the demands are only represented by external actors, to *multiple* internal representations, whereas several sides of the conflicting demands are represented within the organization. *Single* internal representation lies in the middle of this division and means that one (or all) internal groups are dedicated to one side of the conflict and are expected to take action to defend it. A single internal representation would occur when the government for example puts pressure on NGOs to form an alliance while all employees of a particular NGO see no good in it.

The two determinants together influence the strategic response in such a way that ‘the nature of the institutional demand (means versus goals) interacts with the level of internal representation (absence, single, or multiple) to shape the experience of conflicting demands and affects the strategies performed by organizations in response’ (Pache & Santos, 2010, p. 463). It is therefore important to investigate the perceptions of the organizational members concerning the institutional pressure, in this case the policy changes, since they have a substantial influence at the exerted strategic response of NGOs (Pache & Santos, 2010).

Alliance forming

With the introduction of the co-financing system II, forming alliances with other NGOs became inescapable and therefore can be seen as a specific strategic response. Das and Teng (1998) define a strategic alliance as ‘an inter-organization cooperative arrangement aimed at achieving the strategic objectives of partners’ (p. 491). Since NGOs establish such relationships with other NGOs in order to meet the necessary requirements of the Dutch government but also to pursue common beneficial goals, Oliver (1990) would identify this as being necessity and reciprocity determinants of relationship formation. However, gaining benefits from inter-organizational network necessitates effective relationship management (Milward & Provan, 2006). Since an alliance can be seen as an inter-organizational network, this also applies for alliances. In order to benefit from the co-financing system II, the management of accountability, legitimacy, conflict, commitment and design needs to be taken into account when being part of an alliance with several NGOs (Milward & Provan, 2006).

Because of the lack of authority that could arise in alliances, accountability needs to be managed in a proper way. For example by determining what NGO is responsible for what actions and by actively establishing the lines of authority in the alliance. In addition, legitimacy is an important aspect to manage for alliances as well (DiMaggio & Powell, 1983; Human & Provan, 2000). Alliances need to take

both internal and external legitimacy into account (Human & Provan, 2000). On the one hand, internal legitimacy among the participating organizations is needed in order to come to a good collaboration. On the other hand, external legitimacy from the environment is necessary to be successful as well (Human & Provan, 1993). Assuring some level of stability is important for this since legitimacy of a new alliance develops gradually over time (Milward & Provan, 1995). An alliance is composed of multiple organizations with different goals, cultures and methods, and for that reason conflicts can emerge. This calls for an effective conflict management as well. By setting up mechanisms for conflict resolution and by focusing on overall alliance goals instead of single NGO goals, these conflicts can possibly be prevented (Milward & Provan, 2006). While alliances consist out of diverse NGOs with all different levels of involvement, the management of commitment needs to be taken into account. By means of information sharing, a fair resource division and explaining how individual NGOs' actions can contribute to the overall alliance outcomes are procedures to increase the commitment of alliance members (Milward & Provan, 2006).

Last, it is important to determine which design is appropriate for the NGO alliance in order to manage the accountability, legitimacy, conflict and commitment of the alliance in a good way. Kenis and Provan (2008) distinguish three forms of alliance governance designs: self-governed network, lead organization network and network administrative organization. In self-governed networks the alliance members govern the alliance themselves by means of shared decision making and responsibility division. In a lead organization network, the alliance management and decision-making processes are coordinated by one single member of the alliance, which acts as the lead organization (Kenis & Provan, 2008). The network administrative organization (NAO) is an alliance form that is externally governed and coordinated. In the figure below, illustrations of the different forms of network governance are given.

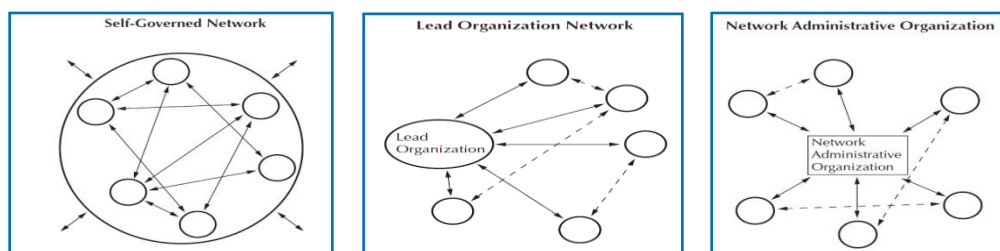


Figure 1: an illustration of the three forms of network governance (Kenis & Provan, 2008)

2.4 Conceptual model

Based on the above outlined theoretical background and underlying causes, the following conceptual model is proposed for this study:

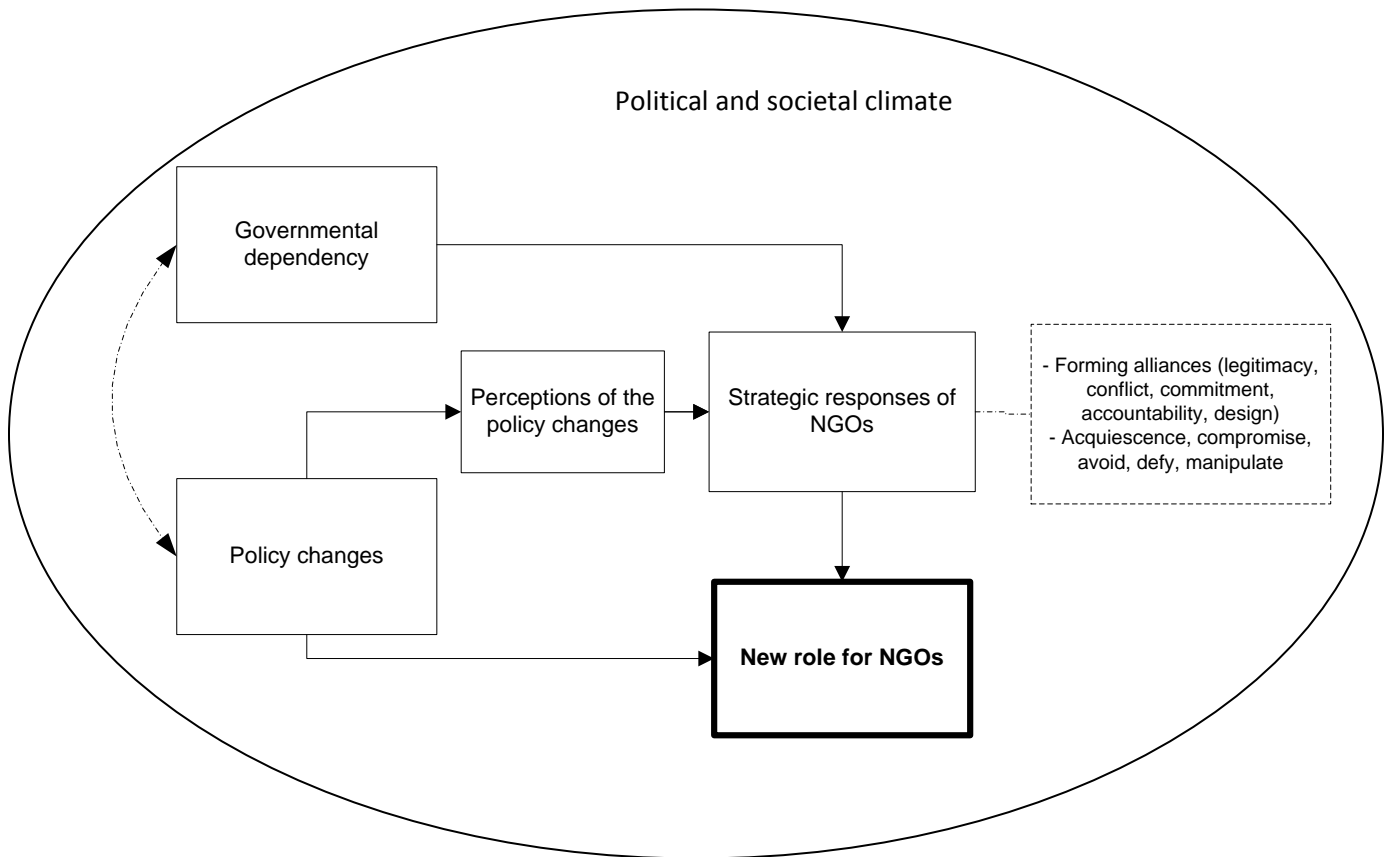


Figure 2: Conceptual model

METHODOLOGICAL FRAMEWORK

3.1 Research strategy and design

Choosing a research strategy and matching design is of great importance for a study. Since research concerning this specific topic is rather limited, a qualitative research strategy was seen as most suitable for this study. Richie and Lewis (2003) describe the character of qualitative research as follows 'the aim of qualitative research is to gain an understanding of the nature and form of phenomena, to unpack meanings, to develop explanations or to generate ideas, concepts and theories' (p. 82). As a researcher conducting this study, it was my intention to gain inclusive, detailed and thorough information about the topic. A qualitative research strategy allowed me to put more focus on a deep understanding of the matter than on generalizing research findings to a larger context (Richie & Lewis, 2003).

Next to that, Yin (2009) presents three conditions which have to be taken into account when deciding on a research strategy: the type of research question posed, the extent of control the researcher has over actual behavioral events and the degree of focus on contemporary as opposed to historical events. Based on these three conditions, this study can be characterized as an explorative study because it focuses on current interactions between the Dutch government and NGOs whereas the relevant behaviors cannot be manipulated.

Based on the above; a qualitative, explorative and inductive approach was chosen for this study and a case study design seemed most applicable to address the research problem. Yin (2009) discerned five different kinds of case studies. By studying and comparing four different NGOs, namely the Evert Vermeer Foundation, Oxfam Novib, ICCO and Hivos, this study can best be characterized as a comparative case study. A case study is 'an empirical examination that investigates a contemporary phenomenon in-depth and within its real-life context and is suitable for the study of new topic areas and/or specific issues' (Yin, 2009, p. 45). In this study, the transformation and modernization process of the Dutch development cooperation sector and the corresponding strategic responses of NGOs can be seen as the phenomenon. Next to that, Baker (1999) indicates a case study as appropriate when the study is small-scaled and the cases are studied very carefully. Both views are met in this study and therefore a comparative case study design is particularly suitable in this instance. Furthermore, this research design enabled me to make use of different data and is, more than other research designs, appropriate for an in depth examination of a specific topic in a specific context (Yin, 2009).

3.2 Data Collection

Case studies generally combine different forms of data collection; interviews, questionnaires, hard data and/or observations (Eisenhardt, 1989). Since the aim of this study was to gain more insight and understanding in the changes in the Dutch development cooperation sector, interviews were most suitable for collecting valuable data for this study. In order to answer the research question, altogether 19 semi-structured interviews were conducted with employees of the EVF, Oxfam Novib, ICCO and Hivos and with experts and political actors out of the Dutch development cooperation field. These interviews were seen as the unit of observation of this study, whereas the four cases were considered as the unit of analysis. In the appendices an overview of the interviewees of this study can be found.

Collecting data via interviews offered the opportunity for a carefully elaboration of relevant topics and matters and facilitated the researcher to conduct the study in an iterative way (Eisenhardt, 1989). Therefore the interviews had a semi-structured nature in such a way that a topic list based on the theoretical background was formulated on forehand, although during the interviews the interviewer was allowed to improvise to ensure that the necessary information was collected. Flexibility and improvisation led in that way to new point of views and interesting in-depth knowledge. Interviews were held until the point of data saturation was reached. In the topic list, all concepts of the conceptual map were taken along and an in-depth elaboration per concept was made to make sure that they were measured in a comprehensive way. The topic list of the interviews and the concept operationalization can be found in the appendices. Furthermore, secondary information was obtained by reviewing documentation and hard data from the NGOs. The following documents of all four NGOs were analyzed thoroughly:

- Application forms of co finance system II.
- Annual reports from 2008 to 2010.
- Strategic policy plans.
- Financial reports from 2008 to 2010.
- Interviews and articles in Vice Versa.

Next to using interviews and documentation as data, I also attended the symposium 'Voices from the South' at the Radboud University of Nijmegen. This symposium shed light on the critical sounds about Western development aid and addressed the topic of development cooperation and the role of Northern NGOs from the point of view of several Southern key speakers.

By using a variety of data sources and data collection methods with interviews, documents and the observation of a symposium, data triangulation was applied. Moreover the fact that in this way the multiple data source criteria of Eisenhardt (1989) were met, data triangulation also created a clearer representation of the research context.

3.3 Sample strategy

A Dutch organization specialized in development cooperation policy, named The Evert Vermeer Foundation (EVF), was willing to participate in this study. Since the EVF is working closely together with many Dutch NGOs and in addition maintains various relations in the political and academic field, they were in addition able to assist me in making contacts. Together we decided upon which organizations and persons were relevant and interesting for taking part in this study. I chose to include four NGOs in this comparative case study and in addition I wanted to include several political actors, academic experts and journalists. By taking along many stakeholders of the topic, I aimed to shape a comprehensive view about the research context. After this brainstorm phase, several persons and organizations were contacted with positive replies and in the end snowball sampling (Bryman, 2008) resulted in the number of 19 respondents that were willing to participate.

3.4 Case descriptions

The Evert Vermeer Foundation (EVF)- for international solidarity

The Evert Vermeer Foundation is a Dutch political NGO, connected to the Dutch Labour Party. The EVF exert oneself to increase international solidarity in political decision-making processes while they believe that the voice of people in developing countries should resound in Dutch and European politics. In order to put development cooperation at the top of the political agenda, the EVF lobbies within Dutch and European politics. While doing that, the EVF has its main focus on Sub Sahara Africa, as the poverty is most poignant and persistent there. The EVF tries to accomplish its goals by organizing events, debates, and readings and by lobbying for Fair Politics.

Since 1995, the EVF yearly organizes the Africa Day, which consists of an extensive political and cultural program including debates and prominent speakers. Furthermore, each autumn the EVF organizes a student symposium where students can work together towards real-life policy recommendations. These public meetings give the opportunity to the Dutch society to confront politicians and hold them accountable for their development cooperation policies. The Fair Politics program of the EVF is a lobby campaign that aims to make politicians aware of unfair policies, to provide them with policy recommendations and to encourage them to revise their policies. By conducting case

studies about unfair and incoherence politics, the EVF wants to lay focus on a more coherent development cooperation policy. All with the aim of giving poor countries a fair chance to develop and in that way *'make development work'*.

The EVF is a small NGO with six permanent staff members and a corresponding board of advice. Their head office is located in Amsterdam and they also have a location in Brussels. The EVF currently has a yearly budget of about 750.000 Euros, coming from governmental subsidies, sponsorships and approximately 11.000 donors.

Oxfam Novib - ambassadors of the self-doing

Oxfam Novib is probably one of the most well-known NGOs of the Netherlands. Oxfam Novib has the aim to foster a world society in which social-economical contradictions between the rich and the poor are being broken and prosperity is fairly divided in such a way that people and communities can get to know each other's culture and learn to gain shared respect (Oxfam Novib, 2010). For that, shared responsibility and mutual solidarity are needed in order to cooperate for development; self-doing is one of the spearheads of Oxfam Novib. To carry out these aspires Oxfam Novib became a member of Oxfam International in 1994, which is a – still growing – network of 14 worldwide development organizations. Together they cooperate while supporting Southern partner organizations in more than 100 countries.

Oxfam Novib divides their work into five programs that are based on the five fundamental human rights that Oxfam International applies. The five basic rights, and therewith programs of Oxfam Novib, are: right to the resources for a sustainable livelihood, right to basic social services, right to life and security, right to social and political participation, and right to an identity (Oxfam Novib, 2010). These themes are carried out via the cooperation with 850 Southern partner organizations in about tens of countries. Oxfam Novib supports certain initiatives and projects of local people by providing them with advice and money. Next to this poverty combating, Oxfam Novib also puts effort in campaigning and lobbying in order to create awareness in the Netherlands and to put pressure on the government to consider the interests of the poor while executing policy.

Oxfam Novib's head office is located in The Hague with about 335 members of staff. Alongside they have six field offices, with approximately 35 members of staff. The field offices are located in Nairobi, Islamabad, Kabul, Bujumbura, Niamey and Jerusalem. Oxfam Novib currently has a yearly budget of about 200 million Euros, coming from governmental subsidies, fundraising and campaigns.

Hivos - people unlimited

Hivos, the Humanist Institute for Development Cooperation, is a Dutch NGO guided by humanistic values. Together with local organizations in developing countries, Hivos aims to contribute to a free, fair and sustainable world. 'A world in which all people – both women and men – have equal access to opportunities and resources for development and can participate actively and equally in decision-making processes that determine their lives, their society and their future' (Hivos, 2010, p. 5).

Hivos finds it important to rely on the creativity and capacity of people, which resulted in the fact that cooperation, innovation and quality are core principles in Hivos' business philosophy. Hivos is committed to poor and marginalized groups and supports over 800 partners in 30 countries in Africa, Asia and Latin America. Hivos provides financial resources, knowledge and advice as well as political support to these local community-based organizations. While doing that, they focus on the following specific themes: financial services & enterprise development, sustainable production, human rights & democratization, HIV/AIDS, art & culture, gender & woman & development, ICT and media and a knowledge program (Hivos, 2010). In addition, Hivos is active in the area of policy advocacy both on an international and local level. Overall, Hivos thus focuses on poverty reduction, civil society building and policy influencing while working together with many NGOs and other civil society organizations, companies and public authorities in the Netherlands, Europe and the South.

Hivos is a NGO with 256 employees. The head office of Hivos is located in The Hague and moreover 129 employees work at four regional offices in Zimbabwe, Costa Rica, India and Indonesia. Hivos currently has a yearly budget of about 93 million Euros, coming from governmental subsidies, fundraising and campaigns.

ICCO - partner to enterprising people

ICCO is an inter-church organisation for development cooperation that has its roots in the Dutch Protestant churches and finds its inspiration in the Christian tradition and mission (ICCO, 2010). ICCO's mission is to work towards a world in which people live in dignity and prosperity without poverty and injustice. ICCO argues that every human being is entitled to respect and equal treatment and has a responsibility to treat others in the same manner. Based on the biblical principles of 'charity, justice and the purity of creation', ICCO works towards sustainable poverty alleviation in which human rights are seen as a fundamental basic principle (ICCO, 2010).

ICCO supports projects and initiatives that contribute to their three main programs which are: basic social services, economic development and working on democracy and peace. The support of ICCO takes place at several levels like funding, emergency aid and lobbying. These programs of ICCO are

carried out via the cooperation with about 900 Southern partner organizations in approximately 53 countries. The initiative for the projects that ICCO supports always comes from the local people and their organisations. Since 2005, Edukans, Kerk in Actie, Oikocredit, Prisma, Share People and ICCO have joined forces and together form the ICCO Alliance. In this alliance experience and expertise are brought together that lead to more effectively and efficient deployment of aid of ICCO.

ICCO currently employs 255 people and has its head office in Utrecht. Next to that they have eight regional offices where 165 employees work, which are located in Uganda, Kyrgyzstan, Nicaragua, Bolivia, India, Indonesia, Mali and Malawi. ICCO has a yearly budget of about 100 million Euros, coming from governmental subsidies and fundraising.

3.5 Data analysis

The thoroughly analyzing of data is an essential and important step to come to the findings and results of this study. Initially the interviews were analyzed. The semi-structured interviews were first taped, then transcribed and finally these transcriptions were *coded*. Miles and Huberman (1994) argue that coding consists of defining clear categories, followed by structuring them with codes. They define codes as ‘tags or labels for assigning units of meaning to the descriptive information compiled during a study’ (Miles & Huberman, 1994, p. 57). Coding can therefore be seen as a resolution about the content of a certain text fragment. In the appendices the coding framework for this study can be found. By using the qualitative data analysis software program Atlas.TI, the coding phase was guided. Atlas.TI facilitates an efficient and organized structuring of qualitative data and assists in categorizing large amounts of narrative texts (Yin, 2009). Furthermore, it enables the search for codes and offers the possibility to visualize the quotations corresponding to one code.

The coded data that derived from Atlas.ti, was then incorporated into a *data matrix*. By using the data matrix the researcher was able to categorize the different transcript fragments on a systematical manner, both on subject and importance. Miles and Huberman (1994) argue that data matrices provide a comprehensive overview and at the same time clear insights in the collected data. Therewith the matrix facilitated the sense-making process of the data and helped the researcher to structure its main findings. In addition, a cross case analysis was done by means of making a comparative table. In this way, the four cases were compared.

Quotes of the respondents were selected with the intention to convey the shared vision in the best possible way. Extreme opinions were taken along as well in order to provide a reliable impression of all views. Most of the quotes in this study were used anonymous, this because the majority of the respondents explicitly asked for that.

Last, content analysis was applied to analyze the documentation. Content analysis is ‘an approach to the analysis of documents and texts that seeks to quantify content in terms of predetermined categories and in a systematic and replicable manner’ (Bryman, 2008, p. 275). In addition, the minutes of the visited symposium were analyzed as well by means of content analysis. The outcomes of the interviews, content analyses and observation were compared in order to come up with comprehensive data.

3.6 Research quality indicators

According to Yin (2009), case studies need to take four conditions into account in order to guarantee the research design quality: (1) internal validity, (2) external validity, (3) construct validity and (4) reliability. While this study aims to investigate and understand a relatively new topic in this research field, and not aspires to expose causal relations, *internal validity* is rather low. However, this lack of high internal validity is not of great importance in this study since it is fairly impossible to show evidence for a causal relationship between the independent and dependent variable in an explorative case study. This is in agreement with Yin (2009) who argues that internal validity is only a concern for particular case studies that attempt to make causal or explanatory claims (Yin, 2009).

‘The external validity problem has been a major barrier in doing case studies’ (Yin, 2009, p. 43). Critics argue that case studies offer a poor basis for generalizing to other cases in other contexts. However, as this study applied a comparative case study as research design, it is an enhanced basis for generalization than a single case study design. Therefore, *external validity* will in this study be ensured by using similar replication logic for the four cases and by means of thick description. In this way the researcher is allowed to generalize the findings to other Dutch NGOs in the development cooperation sector. In addition, a member check was executed in order to improve the credibility of this study. By sending a concept version to all participated respondents, I used their comments as an accuracy check of the data interpretation.

Data triangulation techniques will be used to enhance the *construct validity* of this study. By conducting interviews with different NGOs and experts, analyzing documentation and hard data, and attending a meeting, I aim to measure the same phenomenon with different sources. In this way multiple sources of evidence are used to come to correct operational measures for the concepts that are studied (Yin, 2009). To allow others to duplicate this study and therewith guarantee adequate *reliability*, records will be kept of all phases of the research, including transcripts and data analysis decisions. By describing the research process and content in a detailed way, I assure that (practically) the repeating of the operations of this study will result in the same findings.

FINDINGS

Throughout the data collection process of this study, a lot of appealing matters came up and nearly all interviewees highlighted the relevance of conducting a study about the changes in the Dutch development cooperation sector. However, it also soon became clear that this study covers an extensive subject with many interconnected issues that enfolds a broad scope. This chapter therefore aims to describe the full context of the phenomenon in the best possible way, while addressing all relevant topics and corresponding aspects. Let's start at the beginning.

4.1 The changing era of development cooperation

"When I earlier spoke to people at birthday parties, I used to get enthusiastic and cheering reactions when I mentioned my job in the development cooperation sector. Nowadays, they ask me whether that job really makes sense or my organization proved its utility. Well what can I say, the times are changing."

This quote demonstrates in the purest way that things have begun and are about to change immensely in the development cooperation sector. In the past years, the sector became highly complex and the time that there only were three different channels of aid; multilateral, bilateral and NGOs, is over. During the interviews it became clear that the number of players in the field of development cooperation has never been as high as it is now. A large amount of the money does not come from governments anymore but from private initiatives' disposal, like the Bill and Melissa Gates Foundation, business initiatives or international funds. This increased the dynamic and complex character of the system to a large extent nearly all interviewees agreed upon the fact that *"the development cooperation sector finds itself in the corner where the slaps hit hard."*

The respondents felt that the Dutch development cooperation is under fear pressure. This changing era of development cooperation, like often called by interviewees, conceivably started with several authors that showed themselves judicial about the effectiveness of development aid and the development cooperation system as a whole. Their critical books and their plain comments hit the sector and putted it into a different light. Linda Polman, known as one of the most critical Dutch writers about development cooperation at the moment, mentioned during the interview:

"When I wrote a provocative article about a NGO that according to me did no good about 5 years ago, my mailbox was overloaded with angry messages like 'How dare you to say something like that?!' This changed really fast, and nowadays critical books and reports are more in evidence. And the truth is, I just don't believe that NGOs are the means to save the world because they deal with the humanitarian dilemma. Yes, they want to help poor people and fight

poverty but they want to do good for themselves as well. They have to grow, innovate and most importantly survive and therefore they often make choices that do not benefit the poorest.”

Whether these books directly were the occasion for an increased criticism in the Netherlands, the interviewees remain uncertain. However, it felt rather noticeable for them that from that time on (2007) the pressure and attained attention from critics undeniably increased. This reversal occurred fast and several experts mentioned that in the past years the development cooperation sector finds itself in rapids, where several crucial things already came together. An increased critical public opinion, the overall call for more transparent and positive results, the demand for an increased connection to the business world and a critical new government with corresponding new State Secretary, are the most important alters mentioned. One respondent described it as follows:

“I see it as a trend in which development cooperation and NGOs are no longer seen as untouchable and as a sacrosanct. The critical sounds, both pending from the politics and public sphere, struck a chord and we are taken out of the taboo.”

Another cause for this changing era that came up was the fact that in the Netherlands there always has been a considerable amount of money available for development aid since the Dutch BNP, and therewith also the budget available for development cooperation, kept growing. Just recently the economy stagnated and the new corresponding development cooperation policy stresses effectiveness and entails impactful cut downs. With the decrease budget, the discussion whether spending this amount of money to NGOs and development aid is truly necessary, took over. This dialogue took place in the political chambers of The Hague as well as in the public sphere, as shown above even at birthday parties, and led to an increased critical public opinion.

Especially NGOs deserve a special role in this changing era since, according to the interviewees, their work was most importantly based on legitimacy from both the politics and the Dutch people. These were often referred to as followers, which encouraged their projects and results. Nowadays, the average Dutchman does not matter the cut downs on development cooperation and NGOs, the results of NGOs are often questioned in the media and the support from the politics is diminishing as well. An interviewee reinforced this notion by stating:

“I have real doubts whether the Dutch government and public sphere, at this moment in time, takes the work of NGOs seriously.”

Therefore NGOs feel somewhat driven into a corner, which turned out to be connected with the fact that they experience a changing relationship with the Dutch government.

4.2 Shifting relationship between the Dutch government and NGOs

“If you, as an NGO, do not receive the freedom from the government to do whatever you aim to do anymore, it’s the beginning of the end. If the government wants us to be a NON-Governmental Organization with social roots, they should let us be.”

This sort of reasoning I often heard when citing the so-called ‘ICCO and Rosenthal argue’. In the beginning of this year, Minister Rosenthal threatened to charge ICCO a subsidiary reduction. According to the Minister, subsidizing a Palestinian website was in conflict with the governmental policy. ICCO did not change course in this case since they claimed that the money for this activities came from private donations and that international law was taken as the guideline for these actions. Although this issue was solved without large problems and by one interviewee seen as a ‘single-man’s action of the Minister’, it is the perfect example of how the relationship between the Dutch government and NGOs currently takes form. Whereas in the past NGOs usually could count on support from the government, the majority of the interviewees lost this feeling.

The relationship has evolved throughout the years. Until the end of the nineties, the government did not often prescribe what NGOs should do and how they should fill-in their organizational policy and even a form of collaboration took place. Several interviewees referred to a strategic partnership in which both the government and NGOs shared joint interests on affairs that dealt with international solidarity, justice and poverty reduction. Based on the content of these affairs, agreements were made about work divisions and frequently meetings took place to discuss improvements. In this case NGOs were seen as autonomic organizations with which the government had certain agreements about activities practiced with subsidiary from the government. As for the rest of the NGOs’ budget, the government did not give any prescriptions as long as it fitted in international legislation.

Although the majority of the interviewees still experience a positive overall relationship between NGOs and the government, the way of thinking in mutual goals changed bit by bit since Herfkens took over. The trend of determining the direction of NGOs by the government continued steadily until Minister Koenders and State Secretary Knapen carried this through to an even larger extent. The government has set more requirements on their financing and, like the above example with ICCO shows, also interferes when certain activities according to them stand square on Foreign Affairs policy even though these are not financed with governmental money. An interviewee of the Ministry of Foreign affairs stated that:

“In the Netherlands we maintain the rule that subsidized organizations, like NGOs, are not allowed to act against Foreign Affairs policy. However, when this exactly is the case is rather extendable and we own a tradition in which this is interpreted fairly broad. Our aim is to proceed with this extendable tradition.”

Although this makes sense, NGOs nowadays still have the feeling that the government more and more starts to see them as ‘subcontractors’, an often heard term during the interviews. Many respondents believe that the Ministry determines their priorities and it is up to the NGOs to choose whether they want to fit in the policy and execute tasks or not. Although this is seen as a worldwide trend, it led to the development that the autonomic and independent role of NGOs is questioned and even limited. Furthermore, with all these tighter rules and regulations the government more acts like a ‘standard’ financier. One respondent expressed the overall shared responses as follows:

“The government use to see NGOs as an asset for their Foreign Affairs policy, but nowadays we are more seen as a liability. I often feel like a subcontractor of their policy.”

However, there is also another side of this story. How did we come so far in our development cooperation system? NGOs are financially too dependent on governmental subsidy. That is one thing all respondents strongly agreed upon and interconnected with the subcontractor story. Since the government has set more rules and requirements on their financing it is not more than logic that they have more and more influence on the latitude of governmental dependent NGOs. Therefore it is sometimes rather hard for NGOs to act in their own interest since they experience fear for losing their subsidiary.

“Content and financial dependency are interrelated; you cannot act as an independent and autonomic organization when you are highly dependent from the rules and requirements of a large financier.”

Besides, an enormous financial dependency also leads to other concerns:

“Governmental dependency brings along a feeling of insecurity that makes the whole organization vulnerable and that is really frustrating. Do we still get subsidy next year?”

It can be stated that, to some extent, a thickening trend arose in the Dutch development cooperation sector with a gap between the regulatory government on the one side and the dependent and somewhat feared NGOs on the other side. This changing relation between the government and NGOs is inevitable related with the political climate that recently dominates the Netherlands.

4.3 Political climate

“Since 4 or 5 years, a somewhat negative attitude towards NGOs has been developed. If you nowadays sometimes hear how politicians in The Hague talk about development organizations as being subsidy absorbers or left hobbyists, it is worrying! Even though not everyone shares this opinion, I have the feeling that it’s becoming a political trend.”

While addressing the Dutch political climate concerning development cooperation, and NGOs in particular, it became clear that a considerable amount of the interviewees found the government reign between 2007 – 2010 a period of reversal. From that moment on, the government started to become rather critical towards NGOs and the debate about the fragmentation and ineffectiveness of the development sector was set in. Parties that use to be advocates of NGOs and development cooperation, like PvdA and SP, started to become relatively critical as well.

“At about ten years ago, the VVD was the only Party that was really critical about the spending of development money. The critics from that corner were dismissed as betrayal like ‘The VVD is against development cooperation’. Today this is totally different and certain Parties even have to make others aware of the importance of development cooperation.”

With a growing role for the PVV in the Dutch politics, nowadays even as a support partner in the cabinet, these critical sounds are not diminishing. The PVV is not afraid to tell that they are not in favor of development cooperation, emergency aid excluded. According to the PVV, development aid should not be financed with governmental money since it never exposed clear results in the past 60 years of Dutch development cooperation. The populist Party would like to see more ‘trade instead of aid’ to solve development problems. By removing import duties and quotas, development countries would be able to earn money via trading instead of via receiving development aid from the Netherlands. Especially NGOs often have to endure stern critique whereas the PVV argues that they regularly finance incorrect activities with tax money from the Dutch people.

“These co-financed development organizations (NGOs that receive subsidy from the government) I find the most annoying part of the whole development cooperation.” (PVV)

Governmental partner VVD is critical as well, but with a more constructive character. They do see NGOs as organizations that execute good work of added value when it comes down to society and capacity building. However, NGOs are according to the VVD way too dependent from governmental subsidy and should be able to raise more own money via donors as long as they can prove their effectiveness.

Besides, NGOs need to get out of their nag mode and negative attitude about rules and regulations of governmental subsidy.

“I mean it’s their own choice to ask for governmental subsidy; just quit requesting it if you want to be totally autonomous.” (VVD)

Furthermore, the VVD recalls for more monitoring of the money spend on development cooperation and NGOs in particular, and has a rather economical approach to the matter. They would like to quit with spending Dutch development money to the maintenance of the limbs of societies (healthcare and educational systems) and preferably switch to invest in rebuilding the spine of societies (economical growth and businesses).

Although the PvdA takes a slightly different position in this discussion, to a certain extent they agree with the above point of view of the VVD. The PvdA believes that the strength of NGOs lay in offering support during inner change processes in development countries, more than providing educational or healthcare projects. The involvement of the PvdA with development cooperation has old and large roots. The Party firm believes in the importance of development cooperation and the work of NGOs but is not afraid to be critical at the same time.

“NGOs should be able to ‘keep their own pants up’. However, I think it’s no problem that the budget of NGOs partly consists of subsidy, although the ease with which these NGOs claim to have rights on this subsidy illustrates little understanding of the current Dutch debate.” (PvdA)

Last, the SP is the Party that wants to spend most money on development cooperation, provide that it is done at an efficient and improved manner and above all is spend in the poorest countries. The SP attaches importance to provide aid via NGOs but sees a problem in the current competitive character of the system.

“I see a problem in implementing more market forces in development cooperation. By doing that, NGOs have to waste more time and energy on mutual competition and fancy commercials than on actual program work in development countries.”(SP)

The SP would rather see that the financing of NGOs would be based on their contribution to the eradication of poverty.

As outlined above, the positions and opinions concerning development cooperation, and NGOs in particular, vary enormously between Dutch political Parties. This makes it interesting to consider how all these political actors, NGOs and experts assess the recent policy changes. Does it indeed encompass a more effective system?

4.4 The policy changes; opinions and judgments

“Making policy more modern is a popular and general phrase. Increase the effectiveness is a better aim and in the current system many effectiveness checks are placed, in applications as well as in tendering. In a free market we let organizations compete with each other to come to the best possible outcomes.”

The modernization aim and effectiveness seeking started with the implementation of co-financing system II, with the overall intention to reduce the fragmentation. All respondents, even the interviewees from the responsible Ministry, agreed upon the fact that the system turned out to be too bureaucratic and technocratic. Bureaucratic mill, time-demanding and a blurred out system are only a few examples of expressions that came up. Although many respondents referred to fragmentation as a problem for the sector, a remarkable sound came from the following respondent:

“All I hear is fragmentation, but people forget the other side of the story and that is thematic specialization. By far not every NGO supports the same activities in certain areas and in that way I see it as an added value. Just keep saying that the development sector is too fragmented is too simple for me.”

Forming obligated alliances in order to be entitled to governmental subsidy is according to the majority of the respondents not the right solution for decreasing fragmentation. Occasional alliances, a sham and artificial alliances are terms that interviewees used and many shared the opinion that cooperation needs to arise out of strategic importance whereas joining for subsidy is hardly ever a good basic. However, NGOs agree with experts that because of the diversity in the field, it is necessary to align and join forces in order to reduce overlap and find completion. They felt that they already were cooperating more with other organizations by joining international alliances in order to reduce overlap.

Another interesting finding that came up was the discussion about complementarity of Dutch development aid. The government aimed to increase this by requiring a 60% overlap between Dutch bilateral partner countries and countries in which NGOs were going to work. Although the Ministry believed that this rule increased the complementarity, several respondents were skeptical about it.

“I think that NGOs just should work in the countries where the Dutch government does not provide bilateral aid because of the difficulties they face with cooperating with the – often corrupt – local government (like in Iraq or Iran). There is the need of working with civil society and exactly that is the power of NGOs. Only then real complementarity can be reached.”

This is related to the new focus areas of the current government. With the VVD in charge that decided for fewer countries, less themes and an increased role for the business world, the policy is often blamed

for being too economically and 'own-interest-first' focused. Most respondents especially faced problems with the increased role for the Dutch business world since companies would not have aspirations to improve the world but rather act for profit maximization or goodwill. Nevertheless, all respondents recognized the emergence of CSR and therewith the majority of the interviewees were rather enthusiastic about an increased cooperation between NGOs and companies. However, subsidy opportunities for activities from companies by itself like the government intends, were definitely not appreciated among the majority of the respondents.

When further discussing the policy changes, the recent cut downs could not be avoided. Although these are never desirable, the majority of the interviewees found it understandable that the sector needed to economize. However, the second cut back on co-financing system II was frequently criticized and NGOs felt like they obtained hit after hit:

"It was not bad that the cut downs forced us to apply a strategic focus and to make bold choices. But the way these cut downs were implemented, so radical with a too substantial part for NGOs, was incredibly incorrect."

For this reason 'genoeg = genoeg' was raised in the sector and all four NGOs joined this social media- and protest action. Although the scale of the action remained relatively small, criticism about the cut down plans of the government were carried out. In addition, the majority of the interviewees would like to continue spending 0.7% of the Dutch GNP to development cooperation although several exceptions showed their resistance towards a fixed amount.

"The only reason why we stick to this number is that in Dutch development cooperation most people let emotional arguments lead instead of looking at rational arguments."

Last, respondents found it very difficult to say whether the Dutch development cooperation system became more effective with all the policy changes. Some believed it definitely is a step in the right direction while others remained critic and believed it became more complex. The quotes below show these divergent opinions:

"I think these policy implementations are a leap forward towards an effective and rational development cooperation system. However, even bigger steps have to be taken."

"I don't know, I doubt it. Do these changes really lead to a better situation for raped women in conflict zones in Congo? Only then a higher effectiveness is reached in my opinion. I wish it did."

“I still think the system is wrong since it stimulates competition between NGOs. Development aid should not be ‘sold’ in a free market since that results in holes as organizations decide on their own where to spend their money.”

4.5 Strategic responses of NGOs

Effective or not, NGOs need to adapt to the policy changes anyhow. With often over forty years of experience in the development field, NGOs are used to adapt to their institutional environment and corresponding policy changes. However, all NGOs agreed upon the fact that the last couple of years made it more than ever necessary to take determined steps. Steps in order to realize the needs of people in the South, but even more to meet the requirements of the Dutch government. Now the political and societal contexts are analyzed, it is time to investigate the strategic responses of four Dutch NGOs in the development cooperation field.

4.5.1 Hivos

“In fact the policy changes did not lead to truly radical reversals of Hivos’ strategic policy. We did not pick up many new themes or removed entire programs; it primarily made us focus on our own strengths and pillars. And yes eventually we had to make distinct choices, but the core of Hivos remained the same while we chose for continuity. Although cooperating in an alliance form is something really new for us.”

Policy changes or not, it is Hivos’ overall strategy to continue with the decentralization process that they started in 1985 and to give even more responsibility and decision-making rights to the regions and countries (Hivos Business Plan 2011-2015, 2010). Furthermore, in 2000 Hivos was co-founder of Alliance 2015, which is a strategic cooperation between six development organizations in Europe. By supporting each other, sharing offices and aiming for complementarity, Hivos believed that in this way fragmentation could be decreased. As soon as the co-financing system II asked for alliance forming in order to reduce that same fragmentation, Hivos was therefore not elated.

However, because it was essential for receiving governmental subsidy Hivos left not much choice to comply and took the lead in forming an alliance. Hivos wanted to cooperate with organizations that thematically, programmatically, ideologically and content wise were closely related to them. With Mama Cash, Press Now and IUCN NL, they formed the Hivos Alliance and received 308 million governmental subsidies for 5 years. Eventually, the Hivos Alliance forming went by rather naturally since Hivos already cooperated with most of the three partners, especially with Mama Cash. The Hivos Alliance operates in 32 countries and the cooperation is designed in such a way that the alliance is active

in four programs that are based on the core themes of Hivos. Press Now mainly assists Hivos with their *Expression & Engagement* program, Mama Cash has a role in the *Rights & Citizenship* program, and IUCN NL supports the *Green Entrepreneurship* program. The *Action for Change* program is an all covering program. Within these cooperating programs 'price tags' per project were drawn up in order to keep the work division transparent and accountable. Furthermore, all programs have a content-responsible and the head of Hivos' Bureau of monitoring was appointed as alliance coordinator.

"Since the Hivos Alliance implies 70% of our budget and thus is the foundation of our organization, it is very important (if not crucial) to manage the alliance in a good way."

Although in the beginning the respondents had some doubts about forming an alliance, they now see potential in it and they believe that, when shaped well in the upcoming years, it will open new doors.

Besides forming an alliance, the demand for a 60% country overlap with Dutch partner countries resulted in some restructurings as well. Hivos had to make some program- and country adjustments in order to meet this requirement and, to a certain extent, strategically aligned this with Oxfam Novib. The two joined forces and considerably reduced their attendance in several countries to avoid overlapping. Hivos withdrew from Mozambique and Kirghizstan and relocated to Latin-America, where Oxfam Novib ceased its programs. In this way Hivos clearly complied with the co-financing system II requirements.

To the request of the new government for a larger involvement of the Dutch business world, Hivos seized up as well. The respondents see the added value of cooperating with companies and by linking Hivos' understanding and contacts with the knowledge and reach of companies, new interesting opportunities can arise. Hivos already has various partnerships with companies and by covering a special website and department for these kinds of collaborations; they aim to increase these. However, the new focus areas and country choices are not that well received and will mostly affect Hivos in the long run. Currently, Hivos is only active in 3 of the 15 partner countries of the Dutch government and this could be a weak basis for a next subsidy system. Nonetheless, these requirements are not set yet and Hivos awaits these before taking further action.

Inescapable, Hivos also had to respond to the drastic cut-downs on co-financing system II. Of the 410 million Euros requested subsidy, 308 million Euros was allocated to the Hivos Alliance and in addition a cutback of 36.000 Euros for the assigned 5 years was given. In total, Hivos' governmental subsidy diminished with 21% in comparison to 2010, which asked for a firm approach. Although the respondents agreed that this loss was relatively low and could have been even worse, Hivos had to find a way to deal with this decline of income. Most of the cut downs were compensated by relocating program officers

from the head office to regional offices, where the salaries are only $\frac{1}{3}$ of what they are here. This relocation was to a certain extent also the result of the decentralization strategy since from the 1st of July onwards, two new regional offices in Kenya and Bolivia will be opened. Eventually, it led to a discharge of 10 staff employees in The Hague. Furthermore, several new initiatives concerning microcredit and women's rights in West-Africa had to be cancelled. Existed programs with corresponding countries needed to withdraw as well since Hivos aimed to balance the effects of the cut downs throughout all aspects of their organization and constituents. Costa Rica, El Salvador and Belize are some of the countries that dropped out and these decisions were based on the 60% country list of Koenders. Finally, several programs had to reduce in scale because of budget decreases in certain countries, e.g. in India which is not longer a priority country of the Dutch government.

“Just a bit less for everything, is that dramatic? No. Is it bitter? Yes. But we had no other option. Normally we are very good in offering new initiatives and ideas, but sometimes we just have to lessen. It brings along strategic focus.”

Moreover, the cut downs led to the fact that Hivos felt the need to increase their own financing. Currently about 70% of Hivos' financing consists of governmental subsidy whereas the other 30% comes from own financing. Hivos mainly focuses on large multilateral institutions to attract own financing: The World Bank, EU funds, Global Fund, private donors and foundations, and the Postcode Lottery. It is the aim of Hivos to steadily move towards a 50-50% division of governmental sub-

sidy versus own financing in order to decrease the governmental dependency and therewith reduce the dependency of requirements. To achieve this so called buffering (Oliver, 1991), more effort and focus will be laid on attracting external funds. Besides, Hivos expects a growth of private capital funding through the 'North-South Savings and Guarantee Account', managed by Triodos Bank and issued as a loan with Hivos subsidy (Hivos Business Plan 2011-2015, 2011). Eventually, a broad, secure and diversified income needs to be the basis for shaping and fulfilling Hivos' mission.

“Basically we had two options when we were shortened on governmental subsidy: revise our level of ambition or work even harder to secure external funds. We did both.”

Based on the above, it can be stated that Hivos to a large extent applied the strategic responses acquiescence and compromise while reacting to their institutional pressure (Oliver, 1991). By means of

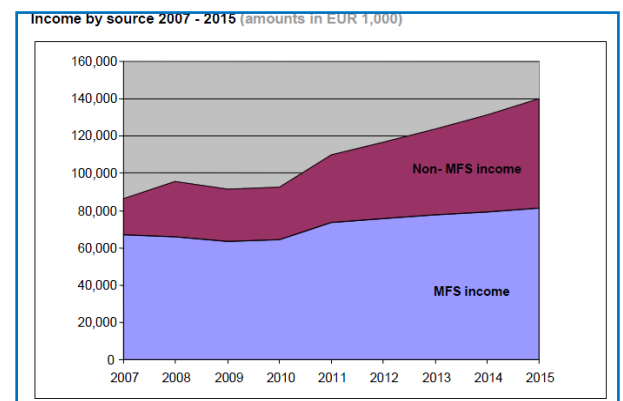


Figure 3: Income by source for Hivos

program- and country adjustments, decentralization and severe actions taken to compensate the cut downs, Hivos complied with the policy changes. In addition they also complied by forming an alliance with a self lead organization as governance structure (Kenis & Provan, 2008), in which the alliance management is coordinated by Hivos as lead organization. By choosing alliance partners with which they already cooperated in the past, Hivos preferred a certain level of stability to increase the alliance legitimacy (Milward & Provan, 1995). Besides, Hivos compromised with the policy changes through aligning their country choices with Oxfam Novib and in addition balanced (Oliver, 1991) the effects of the cut downs throughout all aspects of their organization in order to achieve uniformity between all internal interests.

Hivos also applied more active strategic responses by avoiding and defying institutional pressure. This can be explained with the conflicting demands proposition of Pache and Santos (2010). It can be stated that a single representation occurred while Hivos' employees turned out to be relatively aligned about the institutional pressure. At the same time, the government implemented policy changes with the aim to increase the effectiveness of Hivos and not to change the goal of Hivos which appear to be demands with a means nature (Pache & Santos, 2010). This combination of nature of the demands and internal representation of the demands increases the likelihood of avoidance and defiance as enacted strategic responses of organizations and this seems to apply for Hivos. By means of increasing their external funding, a growth of their private capital funding and enlarging the cooperation with companies, Hivos aimed to decrease their governmental dependency and in that way buffered the governmental pressure (Oliver, 1991). By joining the action 'genoeg = genoeg' Hivos challenged the institutional pressure of the government. At last, manipulation took place to a small extent while Hivos justifies their contribution to the reduction of fragmentation by means of joining Alliance 2015. Although this indeed is a form of reducing overlap, diminishing the Dutch development aid fragmentation that the government strives for, is not met with this. This shows a level of organizational justification (Brunsson, 1993).

4.5.2 Oxfam Novib

"We have to change course since our organization is being challenged more than ever; less money, drastic policy changes and a call for concrete results while we are in the middle of our oxfamization-process. In order to survive we need to internationalize even more."

Internationalize is a word that often was mentioned during the interviews within Oxfam Novib. Oxfam Novib currently focuses on the internationalization of the organization by means of an increased

cooperation within Oxfam International and by implementing a decentralization process (Strategic plan 2011-2015 Oxfam Novib, 2011). Since 1994, Oxfam Novib is the Dutch member of Oxfam International, which is a – still growing – network of 14 worldwide Oxfam development organizations. Together they cooperate by means of supporting Southern partner organizations in over 100 countries and by lobbying for international solidarity. Since two years, Oxfam International aims to bring this cooperation to a higher level by implementing a Single-Management-Structure (SMS). This so called oxfamization-process implies that each country will have one Oxfam that is in charge and Oxfam Novib is by Oxfam International appointed as manager over seven other Oxfams in Vietnam. Moreover, this SMS requires an intense cooperation in order to join projects and programs at a country level. This improved division of work is of considerable size and the majority of the respondents experienced it as the most important strategic change that Oxfam Novib is currently subjected to.

Simultaneously, Oxfam Novib started an extended decentralization process which entails an increased shift of work to the South. Currently, Oxfam Novib's six field offices are managed via The Hague but they will become more independent and larger in size in the upcoming years. This strategic choice arose out of the request from Southern partner organizations for a more intense contact, knowledge sharing and lobby. Besides, Oxfam Novib decided to focus more on fragile and complex countries and in that case it is even more important to understand the circumstances. Both developments asked for proximity of Oxfam Novib in the South and they complied with these. In 2013, all program officers of the international department will be relocated to the field offices, which results in a tremendous decrease of the work force in The Hague. By that time, out of the 100 employees that the department currently employs, only 10 will be left over. By means of job relocations, attrition and forced discharges the workforce in The Hague will be diminished.

“At the moment, the whole oxfamization-process in combination with the extensive decentralization has our strategic priority, not so much the alliance. And these are in fact not a result of the policy changes, although the cut downs might have accelerated things.”

Strategic priority or not, as soon as the new co-financing system was presented, over 50 organizations that were interested in cooperation knocked on Oxfam Novib's door.

Oxfam Novib had to acquiesce and looked for organizations that could bring innovation and added value to their programs, since the headlines of Oxfam Novib's program were already established.

Eventually they chose to form an alliance with Butterfly Works, SOMO, the 1%club and Hirda, which are all relatively small organizations that fulfill a niche function. This



Figure 4: IMPACT-alliance

so called IMPACT-alliance received 421 million Euros of governmental subsidies for five years. This subsidy was divided in such a way that Oxfam Novib received 96% of the amount and the other partners had to divide the other 6%. Butterfly Works and the 1%club are both specialized in digital possibilities for people to support themselves and in reaching development-cooperation-interested people via accessible and innovative social media techniques. SOMO conducts research about the CSR behavior of multinationals and assists Oxfam Novib in influencing those companies. Last, Hirda is a Somali migrant organization that is active at an educational level in Somali, whereas migration is a large theme of Oxfam Novib. Oxfam Novib acts as secretary of the IMPACT-alliance and a certain amount of the subsidy was reserved for a back office, with content- and project responsible. Besides, brainstorm days are organized in order to keep the plans aligned. Although the majority of the respondents said to be satisfied with the cooperation so far, working together with 5 organizations also showed to have its down sides.

“It resulted in some additional costs, like transactional and time-consuming expenses. We had to get to know each other and sometimes friction arose as well. Let’s face it, making strategic plans alone is way easier than finding agreement with 4 other organizations.”

Meeting the 60% country overlap was not a large issue for Oxfam Novib, possibly since they are active in many countries. After creating their own plans, they came out rather good with the 60% margin and were rather invisible able to follow the requirement. The same goes up for the focus areas and countries of the new government. Currently Oxfam Novib is located in 11 out of the 15 partner countries which is a reasonably large overlap. Eventually, being a member of Oxfam International is seen as an advantage when it comes down to country choices. It makes Oxfam Novib rather flexible to translocate to other countries and at the same time makes withdrawals less impactful since other Oxfams will probably stay active there. Cooperating more with companies is something Oxfam Novib is already doing the last couple of years, especially by means of searching for dialogue and lobby concerning sustainability and CSR. Oxfam Novib finds it more important that companies act sustainable in their trading and purchasing, instead of donating money to educational projects of Oxfam Novib. With original and innovative campaigns, like ‘Green Sint’ and ‘Fair Bankindex’ Oxfam Novib aims to make people aware of the importance of sustainability and fair trade and eventually hopes to influence the acting of companies as well by being a ‘thorn in the side’.

The cut downs resulted in a decrease of 42% of governmental subsidy and therewith hit Oxfam Novib hard. In 2010 they received 130 million Euros of subsidy whereas in 2011 they received ‘only’ 71 million. The most important strategic response that followed was a reduction of countries. From being active in

65 countries, Oxfam Novib now only operates in 27. In 2008, Oxfam Novib already shortened to 34 countries and for example quitted in Latin-America based on the strategic alignment with Hivos to reduce overlap. However, with the extra cut downs this reduction was not enough and Oxfam Novib decided to withdraw out of 7 more countries e.g. Central-Asia, Ethiopia and Ghana. This resulted in many contract terminations with Southern partner organizations. Although this reduction was initially necessary because of the cut downs, respondents believed that it also could be seen as a trend for NGOs to narrow down their scope. Besides this country reduction, priority themes were appointed that received the most financing. Oxfam Novib currently focuses more on economical programs like trade, agriculture and especially private sector projects. Educational programs and basic service projects are relatively diminished. In addition, Oxfam Novib had to reduce their LINKIS budget with which they financed civil society organizations both in the North and in the South that organize activities concerning global injustice and public support.

Eventually, personnel implications could not be avoided as well. In total, 70 out of 370 functions disappeared and after replacement and attrition 'only' nine Oxfam Novib employees had to be fired. Along with the use of flexible and temporary contracts, these compulsory dismissals were rather limited. In order to not only disadvantage young professionals, Oxfam Novib decided to discharge employees proportional per function and age distribution and not only based on seniority. In addition, the four-headed board of directors of Oxfam Novib returned 14% on their salary as a form of symbolic gesture.

Just as Hivos, Oxfam Novib decided to put heavier bets on external financing subsequent to the immense decline of governmental subsidy. The extended decentralization process opens doors for new financial resources, e.g. local financiers and the African or Asian Development Banks, since their imposed conditions of local representation can then be met. In addition, more institutional donors like the EU and DIFIT will be searched, as well as large foundations. Finally, large fundraising activities will be organized together with all international Oxfams. To achieve all this, Oxfam Novib invested in considerably more capacity for their fund raising departments.

"It is good that we economize a bit more on other things in order to make additional investments in external fund raising. We need to do that since we really want to become less dependent from the government."

With regard to Oliver's strategic responses (1991) it can be said that Oxfam Novib mostly enacted acquiescence when reacting to institutional pressures. Meeting the 60% country overlap was seen as habit for Oxfam Novib and by means of imitating Oxfam International's structures, an

internationalization process was implemented. Additionally, they complied with the policy changes by forming an alliance with other NGOs for co-financing system II. Oxfam Novib was by far the largest NGO of the alliance and acted as the lead organization (Kenis & Provan, 2008). With the creation of a back office with content- and project responsible and the organization of brainstorm days with all alliance partners, the management of involvement and conflict of the alliance were taken into account by Oxfam Novib (Milward & Provan, 2006). Oxfam Novib complied with the cut downs as well and by means of country reductions and personnel implications they came a long way. The decentralization process was a reply to demands from the South, and this far-reaching course showed to be hard to modify at the moment the cut-downs came in. This demonstrates a level of structural inertia (Hannan & Freeman, 1984) by which these organizational structures showed inertia for change while facing the institutional turbulence of the government.

In addition, Oxfam Novib compromised with institutional pressure by means of aligning their country choices with Hivos and Oxfam International. In this way expectations of multiple constituents were taken into consideration and the damage could be limited (Oliver, 1991). Just like Hivos, Oxfam Novib applied more active responses as well, which can be explained at the same manner with a combination of single internal representation of the demand that have a means nature (Pache & Santos). By increasing partnerships and collaborations with the business world and an enlarged focus on external fund raising via EU and local funds, Oxfam Novib intended to diminish their governmental dependency. In doing so, Oxfam Novib could avoid governmental pressure in the future as well (Oliver, 1991). By joining the protest action 'genoeg = genoeg', Oxfam Novib enacted a challenge tactic and wanted to show their disagreement towards the policy changes and cut downs of the government.

4.5.3 ICCO

"At the time we were in the middle of our 'ProCoDe' process, the policy changes and cut downs intervened. We often questioned whether our transformational process fitted with the policy changes but with the decision to maintain the model, other difficult choices had to be made."

In 2005, ICCO started with a transformation process that brought along considerable consequences for the entire organization, way of working and partners. This so called threefold 'ProCoDe' process entailed a shift to PROgrammatic work, CO-responsibility and DEcentralization. With programmatic working, ICCO aims to stimulate cooperation between NGOs, companies, social movement organizations and unions in order to achieve complementarity and an increased effectiveness. By setting up twelve regional councils in Latin America, Africa, and Asia, ICCO aimed to come towards a more co-responsible

strategic policy. These councils consist of representatives of important sectors of civil society – supported by teams of professional ICCO staff – and have the function to develop new and context-specific regional policies, strategies and fund opportunities. In this way ICCO to a larger extent involves the South in policy making and priority setting.

To achieve these programmatic and co-responsible processes in a sufficient manner, decentralization was needed in order to be present ‘on the spot’. The setting up of eight regional offices started in 2005 and was completed in the end of 2010. This process had a substantial impact on ICCO as an organization since many jobs and responsibility disappeared at the head office in Utrecht. At the beginning of the ‘ProCoDe’ process in 2005, ICCO counted 270 employees there whereas in the end of 2011 approximately 85 will be left over. Eventually the aim of this transformational process was improving the dynamic of the North-South cooperation and all respondents saw this as an enrichment.

Besides this change process, ICCO also established an alliance with Kerk in Actie, Edukans, Prisma, SharePeople and Oicokredit in 2005. At the moment that co-financing system II asked for alliance forming, it was more or less a logical step for ICCO to write an application with this already existing alliance. Some changes occurred while the Zeist missionary society and Yente joined the alliance based on their added value and Oicokredit could not join due to criteria requirements.



Figure 5: ICCO Alliance

Eventually the ICCO Alliance consisted of seven organizations and 382 million Euros of governmental subsidy was assigned to them for 5 years. According to the respondents it contains a rather natural course of cooperation in which ICCO acts as overall coordinator and specialists are combined in order to align programs and plans. Accede to the 60% country overlap requirement was not a main concern for the ICCO Alliance since from 2005 onwards they were already active in many similar countries as the Dutch government.

Next to the ICCO Alliance, ICCO also submitted a subsidy proposal with three other alliances; Connect4change, the WASH Alliance and the Fair Trade Alliance. Those applications were of much smaller size and mostly formed based on previous cooperation considerations. The first two were honored but the Fair Trade Alliance was rejected, although the cooperation continued without governmental subsidy. Because it was no longer allowed to execute public support activities with co-financing money, ICCO had to write an application for SBOS as well. The request was honored and therewith ICCO's youth program ‘Get There’ was guaranteed. However, the ICCO Alliance for co-

financing system II was by far the main application of ICCO and the amount of the received subsidy was of great importance for the future of ICCO.

Although ICCO prepared itself for a loss in budget, the eventually amount of cut downs of co-financing system II were against all expectations. In 2010, ICCO as organization received 106 million Euros of governmental subsidy whereas in 2011 they 'only' received 59 million Euros. With this decrease of 43%, ICCO was one of the most affected NGOs of co-financing system II. These cut downs asked for difficult decisions but almost immediately ICCO made the choice to finish the 'ProDeCo' process as a whole. The last five years ICCO had invested so much time and money in the transformational process that the respondents felt that it was worth the risk to continue. The only thing implication was that the decentralization process had to be finished in a turbo mode; instead of having five years the regions had to become self-reliant in two years now.

However, the decision to stick to the plan resulted in the fact that ICCO had to cut immensely in other crucial aspects of the organization. They decided to have a more economical focus by supporting farmers and small entrepreneurs with the emphasis on up-scaling them to the level of SMEs. Several other themes were deleted and health care and education were taken over by alliance partners Edukans and Prima. Overall program budgets decreased as well. In addition, ICCO had to quit in eight countries including Ecuador, Colombia and East Timor. Eventually it led to a better division of work in the ICCO alliance whereas partners of the alliance stayed active in themes and countries that ICCO had deleted. Although the implementation of 'ProCoDe' already resulted in a decrease of staff at ICCOs head office, the cut downs made it even worse. Approximately 35 extra jobs had to disappear and ICCO decided to shorten on the lobby and communication department in particular.

"We invested so much in building up regions and that is just not something you easily throw away. What remained was to cut in themes, programs, and in staff at the head office and although it was very hard, I felt like it was the best thing to do for ICCO."

With regard to external fundraising in order to compensate the loss in subsidy, ICCO takes a slightly different path than Hivos and Oxfam. Although ICCO focuses on raising more EU funds as well, they in addition decided to give regional offices funding targets themselves while being present in the South opens doors for requesting more diverse funds. Besides, ICCO tries to involve their followers out of the Protestants Christian society more with regard to private fund raising. According to the ICCO respondents, private fund raising entails different levels and whereas it started in the beginning with 'trust me', it slowly changed into 'tell me', 'show me', 'involve me' and more and more into 'co-create'.

By means of co-creation with small private initiatives based on shared knowledge, ICCO aims to set up more private funded projects. In this way, the governmental dependency can be decreased so that they do not have to adapt to the requirements of the government all the time. Moreover, the principle of matching will be applied more often, which encompasses an own investment of ICCO in programs in order to carry along the risks and therewith encourage financial partners to join. Cooperation with companies and corresponding return of investment funds is growing as well and ICCO therewith applies a more businesslike approach in external fundraising than the other NGOs.

“It is an absolute challenge for ICCO to find other sources of financing and channels of subsidy. But it is a necessary step to take since we want and have to increase our autonomy. Diversification of funds is therefore the key word.”

When comparing the above mentioned actions with Oliver’s strategic responses (1991), it turns out that ICCO mainly acquiesced with the institutional pressure. Forming an alliance was done out of habit since from 2005 on ICCO already was a member of the ICCO Alliance. Just like Hivos and Oxfam Novib, the governance structure of the alliance was a self lead organization in which ICCO had the coordinating role (Kenis & Provan, 2008). ICCO continued with their alliance for co-financing system II and therewith aimed for stability in order to gain and maintain legitimacy (Milward & Provan, 2006). The habit tactic also applied for the 60% country overlap requirement, since ICCO was mainly active in similar countries as the Dutch government. By means of personnel implications and theme rejections, ICCO complied with the cut downs since they left no other option than to accept them. ICCO responded to the desires of the South as well and implemented an extensive ‘ProCoDe’ process.

This ‘ProCoDe’ structure showed a certain level of structural inertia (Hannan & Freeman, 1984), because it was a large and impactful strategic path that was hard to alter when the cut downs came in. Although at first side it seemed necessary to reduce the plan, ICCO continued with it and saw no way back with regard to the developments in the South. In this way, they balanced the expectations of multiple constituents (Oliver, 1991). The strategic responses avoid and defy (Oliver, 1991) were applied to a certain extent by ICCO as well. Just like Hivos and Oxfam Novib, ICCO increased their external funding (mostly with private initiatives) and enlarged the cooperation with the business world and therewith buffered the pressure. While being an active member of the protest action ‘genoeg = genoeg’, ICCO eventually applied a more active strategic response and challenged the institutional pressure.

4.5.4 The Evert Vermeer Foundation

“Being a small and unique NGO in the Netherlands, the policy changes and cut downs hit us extra hard. The Africa Day has always been THE event of the EVF and at the moment that fell out, it was a shock. I think that small organizations often suffer more from institutional changes.”

It is no exaggeration to state that The Evert Vermeer Foundation (EVF) has experienced turbulent times in the last year. As shown above, according to the respondents the unique political lobby role and the small size of the EVF made them very vulnerable for the policy changes. It is important to mention that the work of the EVF is divided into two different aspects; a political lobby with their Fair Politics program and organizing public activities like the Africa Day. The political lobby program is financed via governmental co-financing systems and the public activities are financed via the NCDO (now replaced by SBOS). The diverse policy changes and corresponding cut downs therefore had different effects on both aspects and thus the EVF had to respond in various ways.

Unlike Oxfam Novib, Hivos and ICCO, the EVF did not receive governmental subsidy out of co-financing system I. Their application was rejected and from 2008 to 2010 the EVF was forced to gather money from partners and European funds for their political lobby program. To change course and to stand strong for the alliance forming in the new co-financing system, the EVF created the Fair Politics program as a successor of the coherence program. It soon turned out that Oxfam Novib and Hivos, which are very active in lobbying as well, were enthusiastic about this initiative. Both NGOs approached the EVF to be part of their alliance with their Fair Politics program. However, with six employees, a yearly budget of about 800.000 and no ‘ISO certificate’, the EVF was too small to officially become an alliance partner. Eventually Oxfam Novib and Hivos both decided to include the EVF as subcontractor for lobbying activities in their own alliance. The application part of the EVF was based on lobby on a European, Dutch and local municipal level, of which the local level was a new initiative. The additional cut downs resulted in the fact that the EVF ‘only’ received 180.000 Euros out of co-financing system II, which was 30% less than requested. For that reason, the local municipal level of the program had to be taken out, which was seen as a disappointment by all the respondents. Furthermore the cooperation between the EVF and Hivos and Oxfam Novib takes form in discussing and prioritizing lobby themes and is until now seen as successful by all respondents:

“We are pleased to cooperate with Hivos and Oxfam Novib. With their professional lobby department and mass reach, more Fair Politics can be achieved with the same effort.”

However, the alliance forming also had some other counter effects for the EVF. Previously, the EVF collaborated with many other organizations on diverse lobby themes like Cordaid and Plan. Whereas these partners use to co-finance these joined lobby activities, nowadays this does not occur anymore since the partners all have their own alliances and prioritize that cooperation.

While the Fair Politics program was saved by forming an alliance, the financing of public activities of the EVF became a problem. In the last 10 years, NCDO had always been a certainty in financing the Africa Day and the student symposium. However, the new subsidy facility SBOS replaced the public support subsidy facility of the NCDO and EVFs' SBOS application for 4 years of public activities was rejected in the beginning of this year. Since the EVF is mainly dependent on subsidies,



Figure 6: The Africa Day yearly attracts more than 2000 visitors

this had tremendous consequences for the organization and first of all led to the cancellation of the Africa Day in the spring of 2011. Although the EVF tried hard to find other financial sources for the Africa Day, like the business world and other NGOs, they did not succeed. An often mentioned reason for this was their association with the Dutch Labour Party of which many optional partners were not charmed.

All respondents mentioned that this subsidy refusal caused a bad mood and brought along a considerable feeling of insecurity about the future. This also had to do with the fact that the money shortage in addition led to a forced dismissal whereas several function shifts took place at the same time, of which the director was one. However, this negative energy had to bend into motivation for writing new subsidy requests. With the help of experts, the EVF requested a one-year SBOS subsidy that was granted last April. This means that the Africa Day eventually can be organized in October of this year, which gave the EVF some room to breathe. Nevertheless security turned out to be far from guaranteed with this approval, since only at the 1st of July it became clear that the newest SBOS subsidy request for 4 years of student symposium is rejected.

“Last year was dynamic and difficult for us; insecurity, personnel modifications, rejections, waiting, writing new requests and so on. Unfortunately this isn't over yet and we have to work even harder to eventually come out stronger and achieve continuity.”

Related to the above described turbulent times, the respondents agreed upon the fact that searching for financing and writing requests asked a lot of their time in the last year. Besides the cut downs and rejection for SBOS, the financing from the Dutch Labour Party decreased as well. This loss in income needed to be compensated by putting more effort in raising money from European funds and external

partners. With the appointment of the new (critical) government, the EVF feels the need to put even more effort in setting international development cooperation and injustice on the political agenda as well. Now that the finance gathering is partly over, the focus needs to shift back to achieving this. However, all respondents agree that the EVF currently finds itself in an impactful change process, both internally and externally, of which the outcome is still uncertain.

“I do think that we accomplish good things like the Africa Day but in order to survive we need to undertake new initiatives and perhaps focus more on our lobby role. I think that especially that lobby part makes us unique and strong for the future.”

The EVF is the smallest NGO and based on the findings above it can be stated that they, to a large extent, applied the strategic responses acquiescence and avoiding while reacting to their institutional pressure (Oliver, 1991). The EVF firstly complied with the alliance forming requirement and joined the alliances of Hivos and Oxfam Novib as subcontractor for lobbying activities. They were part of two self lead alliances and by means of discussing and prioritizing lobby themes, the management of involvement and accountability were taken into account by both the lead NGOs (Milward & Provan, 2006). With the cut downs on co-financing system II, the EVF had to remove their municipal level of their Fair Politics program and therewith compensated the lower subsidy (Oliver, 1991). In addition they also complied with the shift from NCDO to SBOS by requesting SBOS subsidy. To a certain extent, structural inertia is applicable for the EVF. SBOS set other requirements for their subsidy division than NCDO did and the EVF struggled to fit into these requirements with their current organizational activities and structures and found it hard to change their core values (Hannan & Freeman, 1984).

Because the governmental dependency of the EVF lost its limits, they decided to enact more active strategic responses as well. By means of raising more EU funds and attracting more companies to finance the Africa Day, the EVF aimed to avoid institutional pressure for the future (Oliver, 1991). At last the EVF aimed to challenge the governmental cut downs, just like Oxfam Novib, ICCO, and joined the ‘genoeg = genoeg’ action.

Throughout the above examined strategic responses of all four NGOs, it became clear that both the political and societal climate have a considerable impact on how NGOs are shaped. The societal changes, the development aid debate and the policy changes with corresponding cut downs are of great influence on their functioning. As a consequence of this, the majority of the respondents argued that the role of NGOs is changing and many NGOs currently face a certain degree of an identity crisis. How will this changing role of NGOs look like?

4.6 New role for NGOs

“I think it is about time for NGOs to steadily refine their future role and added value for development cooperation.”

Eventually every development organization is founded to become superfluous at one point in time. This opinion was shared by nearly all respondents. However, the majority of the respondents were also strongly convinced of the added value of NGOs when it came down to development cooperation and fighting poverty. NGOs root in the society and are able to execute work that governments cannot do. Especially organizing social mass as a counterforce towards political and economical elite in development countries, like the government, companies and institutions is by respondents noted as the strength of NGOs. This also applies for sharing information, exchanging knowledge and being part of a strong international network that is able to support Southern partners. While most NGOs agree upon these strengths, the role of direct financing poverty reduction programs has still predominance, which is somewhat contradicting.

“Too many NGOs still focus on direct poverty reduction by supporting educational and healthcare projects that other actors can facilitate as well. An NGO has contacts and therewith possibilities to put pressure on players that really can make a difference. This rather political role is the added value of NGOs and it’s time for them to start acting like it.”

How did it come to this point that the direct financing role of NGOs is seen as less important? The majority of the respondents recognized that the success of Dutch NGOs in the development cooperation system is that Southern partners are build up at an adequate manner. This resulted in the fact that many development countries currently possess strong local NGOs. With this achievement, Dutch NGOs are seen as less fundamental for direct program financing, since local Southern NGOs in development countries are able to take over this role.

“Why would the government give money to Oxfam Novib that will provide the money to a local partner in Ghana so that they can do something with it? That is one step too much if there are NGOs in Ghana that are strong enough to do well with the money on their own.”

The role of direct financier is therefore diminishing and NGOs themselves experience this shift in needs as well. The call for of being a hatch of money is not seen as main activity anymore and instead of taking a donor role only, the NGOs have to occupy a more advisory, supporting and stimulating position as well. Knowledge transfer from Dutch NGOs to Southern partners is mentioned to grow in meaning and assisting partners in raising funds for mutual or individual programs or content debating with key players

is seen as an important task as well. In addition, the NGOs are also gradually restructuring towards a more lobby-and-campaign-like organization in which they are aiming to make the sound of the South more visible in Dutch politics. It is of great value to strengthen societies and lobby for that, so that Southern NGOs eventually become even stronger and can lobby for themselves. Furthermore, the responsibility for Dutch NGOs to create public support for international solidarity and global citizenship in the Netherlands is often mentioned by respondents. The interest and attention for development cooperation in the North is of great importance and Southern NGOs are not able to accomplish that on their own. NGOs themselves outline it as follows:

“We are no longer the NGO that only acts as a direct financier, we are more and more shifting towards a role that facilitates, connects bridges and activates people. I see it as being a kind of broker in which we assist Southern partners to get in contact with finance organizations.”

“From largely being a sort of project agency we have to transform into an international oriented lobby and campaign organization that focuses on common themes like climate changes, sustainable energy and fair trade.”

“We have to connect the things that Dutch people consume with the things that e.g. farmers in Ivory produce more, like we did with the ‘Groene Sint’ campaign. That is not something Ivory NGOs can do, but we as a Dutch NGOs can and have to do that.”

Other things that came up, of which some already appeared out of the strategic responses as well, were that most NGOs believed to be more decentralized in development countries where they operate and aimed for a decreased governmental dependency. Especially the latter one is significantly important for responding to the changing needs and accomplishing the shifting NGO role in a good manner. The Dutch government sets high demands for governmental subsidy in terms of proving effectiveness since that is for a large extent based on the direct financing and therewith service providing role. When fulfilling a political lobby role, showing success becomes harder since it is rather difficult to prove that the society of Malawi is building up or that Dutch inhabitants have become more globally minded. Besides, public support activities are in the current co-financing system not allowed to be financed with governmental subsidy. Being highly dependent on governmental subsidy could therefore bother the transformation to a new role.

“The Ministry pays, asks for proved effectiveness and decides in which countries NGOs should be active as well. I think it is in the main interest of NGOs to become less governmental dependent in order to move forward.”

Furthermore, the political role is expected to cost less money and most likely needs less manpower as well so respondents did not excluded that the NGOs' device, like often called, will reduce even further.

Respondents expect that this shift of NGOs' roles entails an evolving process and the near future will tell how exactly this will look like. However, that a change is knocking at the doorstep and that NGOs need to open the door is unanimously approved:

"If you as a NGO do not adapt to the changing conditions and circumstances and not critically reflect about the actual way you are contributing to the South, then you are just superfluous. That's simple and then nothing remains then cease to exist."

"Partners in the South need to confirm that it is important that we, as Dutch NGO, still are there to assist them. It has to be of added value for the South and at the exact moment that we are not able to prove that anymore, we will become superfluous and according to me have to stop working."

DISCUSSION AND CONCLUSION

This study concerned an in-depth examination of the Dutch development cooperation system and in particular investigated the role of NGOs in this whole. Beyond doubt, this study makes clear that the Dutch development cooperation sector has been subjected to many modernization-aiming changes. In this 'changing era', NGOs faced challenges and had to respond strategically in order to survive while at the same time they had to conquer for a new place. Are the policy changes and cut downs a blessing in disguise for NGOs that is rather sore on short term but eventually leads to better and effective system, or is it not that simple after all? The goal of this study was to answer the following research question:

How do Dutch NGOs respond to the policy changes of the government and in what way do these strategic responses as well as the policy changes themselves shape a new future role for NGOs?

Based on the research findings that derived out of the nineteen qualitative interviews, this research question can be answered. Below the conclusions of this study will be presented and discussed.

5.1 Discussion

Change was in the air

Expounding NGOs' strategic responses to institutional pressure, inevitably asked for an in-depth exploration of the environment they found themselves in. The findings show that NGOs operate in a very dynamic and complex institutional environment and are recently exposed to diverse critical sounds both pending from the societal and political climate. Critical books and an overall increased discussion about the effectiveness of development aid caused societal sensation. The development cooperation sector, NGOs included, is no longer seen as a sacrosanct and taken out of the taboo atmosphere in the Dutch public sphere. Simultaneously, the political climate changed as well as the implementation of Koenders' modernization agenda turned out to be the beginning of a shifting relationship between NGOs and the Dutch government. As it happened, the cabinet became more critical towards NGOs and set more requirements on their financing, with co-financing system II as result. The findings show that NGOs herewith more and more felt like subcontractors of Foreign Affairs policy and the autonomic and independent role of NGOs proved to be limited. The ICCO incident emphasized this trend. This shifting relationship is in line with Bebbington (2005) who found that the Dutch government gradually exercised a greater control over NGOs and that NGOs are sacrificing their autonomy in fear for losing financial support. With the new government that has an economical focus and aims to decrease the governmental support for the civil society even more, the relationship perhaps even reached the rock

bottom. The severe critic of the PVV and other Parties also influenced the political climate whereas development cooperation as portfolio is not as important anymore as it used to be in Dutch politics. The fact that Knapen is 'only' appointed as State Secretary instead of Minister of development cooperation underlines this decrease of importance.

All this shows that NGOs were exposed to serious institutional pressure from many sides. It is hereby interesting to stress that the fact that development cooperation policy often changes with the office of a new government, contributes to a large extent to the dynamic character of NGOs' environment. Each new Minister puts its own emphasis on development cooperation policy and implements new focus areas, what does not always benefit the continuance of the policy. NGOs are therefore used to operate in a dynamic context and adjust rather easy to institutional changes (WRR Report, 2010; Bebbington, 2005; Ramanath, 2008). However, the majority of the interviewees stated that it has not been as dynamic and impactful as this before. It furthermore can be stated that the time was there for NGOs to change and the institutional pressures from all sides were in the air for quite some time; requests from Southern partners to decentralize, repeated warnings from the government for an effectiveness blow and a decrease of the Dutch BNP. In the air or not, Dutch NGOs stood for many strategic decisions and responded in an adequate way in order to face all the institutional pressures. Below, the main findings of these strategic responses of Hivos, Oxfam Novib, ICCO and the EVF are outlined and discussed.

Strategic focus is the key word

All four NGOs, although some to a higher degree than others, were in the middle of a transition process at the moment the policy changes and cut downs set in. However, their strategy had to deal with the institutional pressures that they faced and that led to several modifications and adaptations. Below, a summarizing table of the main strategic responses of the four investigated NGOs is given. Based on the strategic responses of Oliver (1991) and other relevant and organizational literature that is expounded in this study, the NGOs are compared. The scores on each strategic response of Oliver (1991) can range from – to ++++ in which the following subdivisions prevail:

- : NGOs did not execute this strategic response.
- +: NGOs executed the strategic response to a low extent.
- ++: NGOs executed the strategic response to a moderate extent.
- +++ : NGOs executed the strategic response to a high extent.
- ++++: NGOs did only use this strategic response.

Oliver's Strategic responses:	NGOs:			
	Hivos	Oxfam Novib	ICCO	EVF
<u>Acquiesce</u>	++	+++	+++	++
<i>Habit</i>		- 60% country overlap	- Alliance forming with themselves as self lead organization - 60% country overlap	
<i>Imitate</i>		- Internationalize with Oxfamization - Country reduction		
<i>Comply</i>	- Alliance forming with themselves as self lead organization - 60% Country overlap - Take severe actions to compensate cut downs: relocate jobs to South, decline in programs and countries, cancel new initiatives, 10 dismissals - Requested SBOS subsidy - Decentralize	- Alliance forming with themselves as self lead organization - Take severe actions to compensate cut downs: withdraw from 7 countries, shift to economical programs, 9 dismissals, 14% decline of directors salary - Decentralize shows structural inertia (Hannan & Freeman)	- Take severe actions to compensate cut downs: 35 dismissals, diminished in countries and programs, focus on SMEs - Decentralization and implement co-responsibility - Requested SBOS subsidy	- Joined an alliance - Take severe actions to compensate cut downs: functional shifts, 1 dismissal. - Remove local municipal program - Request SBOS subsidy
<u>Compromise</u>	++	+	+	-
<i>Balance</i>	- Align country choices with Oxfam Novib - Divide effects of cut downs among multiple constituents	- Align country choices with Hivos and programs with Oxfam International	- 'ProCoDe' process continuance - 'ProCoDe' shows structural inertia (Hannan & Freeman)	
<i>Pacify</i>				
<i>Bargain</i>				
<u>Avoid</u>	++	++	++	++
<i>Conceal</i>				
<i>Buffer</i>	- Increase external funding and growth of private capital funding - Enlarge	- Increase external funding by local and EU funds - Enlarge cooperation with	- Increase external funding with private initiatives - Enlarge cooperation with	- Increase external funding by EU funds - Enlarge cooperation with

	cooperation with business world	business world via campaigns	business world with matching	business world for Africa Day
<i>Escape</i>				
<i>Defy</i>	+	+	+	+
<i>Dismiss</i>				
<i>Challenge</i>	- Join 'genoeg = genoeg' action	- Join 'genoeg = genoeg' action	- Join 'genoeg = genoeg' action - ICCO challenged governmental policy during their argue with Rosenthal	- Join 'genoeg = genoeg' action
<i>Attack</i>				
<i>Manipulate</i>	+	-	-	-
<i>Co-opt</i>				
<i>Influence</i>	- By joining Alliance 2015, Hivos justified the fragmentation idea (Brunsson, 1993)			
<i>Control</i>				

Table 3: Summarizing table of strategic responses per NGO.

The findings firstly show that as response to the implementation of the new co-financing system II, all four NGOs either formed or joined one or more alliances in 2010. By doing this, Oxfam Novib, Hivos and the EVF complied with the requirement whereas for ICCO this was more done from habit because they already were part of an alliance since 2005. However, Oxfam Novib, Hivos and ICCO all decided to create an alliance with self lead organization as governance structure (Kenis & Provan, 2008), in which they all themselves acted as the lead organization. This could be explained by the fact that the lead organization form is 'especially suited to address the external legitimacy needs of the alliance' (Kenis & Provan, 2008, p. 244) and legitimacy turned out to be an important feature of an NGO alliance. In general, the NGOs are rather satisfied with being part of an alliance, although managing the alliance in a good manner indeed turned out to be time-consuming and challenging as Milward and Provan (2006) outlined. Especially the management of involvement, conflict and legitimacy were often taken into account by means of program-responsible, stability and brainstorm days.

With regard to the enormous cut downs on the development cooperation sector and consequent on co-financing system II, all the four NGOs left no other option then to comply with these. However, it turned out to be rather impossible to entirely separate the strategic responses as a result of the cut downs from the strategic course that the NGOs already were taking. Hivos was finishing their decentralization process when the cut downs set in and Oxfam Novib stood in the middle of a

decentralization process and was occupied with an oxfamization-process and corresponding Single-Management-Structure (SMS) implementation as well. ICCO was still busy with implementing their extensive transformation process 'ProCoDe' that dominated their strategic choices, while the EVF tried to find financial security and continuity by means of several SBOS applications. It turned out that the NGOs found it rather hard to alter these chosen strategic courses based on the cut downs and this showed a certain level of structural inertia of their structures (Hannan & Freeman, 1984). This can be explained with the fact that the transformation processes of the NGOs most likely happened more slowly than the institutional turbulence that arose in the last couple of years. This makes structures and strategic decision making processes rather inert.

Instead of only acquiescing and compromising, all the four NGOs responded to their increased dependency in a more active manner as well: avoiding and defying (Oliver, 1991). By means of an increased focus on external fund raising they aim to reduce the governmental dependency. Although each NGO lays emphasize on slightly other forms of external funding, for example via private initiatives, local funds, or EU funds; eventually an increased own income gives NGOs the opportunity to loosen the institutional requirements of the government. The strategic response defy (Oliver, 1991) was enacted to a relatively small extent by the four NGOs, while they all joined the protest action 'genoeg = genoeg', with which they challenged the governmental policy. However, this action did not cover a great scale, especially not when comparing it with other Dutch sectors that had undergone drastic cut downs as well, like the cultural sector. In that sector, cultural organizations, the society and prominents all unified and executed several active protests that widely gained notice in the news. Whereas the cut downs of the two sectors are almost of identical size, the Dutch development cooperation sector remained surprisingly silent. An explanation for this could lie in the fact that development aid is not a tangible issue for the Dutch vox populi and that NGOs are afraid to come across as subsidy slurping organizations if they show their disagreement out loudly. This also might be the reason for the few acknowledged active strategic responses enacted by the NGOs. However, a certain degree of manipulation was recognized while Hivos justifies their contribution to the reduction of fragmentation by means of joining Alliance 2015. Although this is an increased cooperation that aims to reduce overlap, eventually the aid fragmentation of the Dutch development sector is not tackled with this even though Hivos tries to convey it like that. This is a mild form of organizational justification (Brunsson, 1993).

That acquiescence turned out to be the most enacted strategic response of the four NGOs, is in line with what DiMaggio and Powell (1991) and Oliver (1991) expected: organizations that are exposed to pressure from powerful institutions, on which they are dependent for gaining legitimacy or resources,

are often likely to acquiesce. In this study, the government came up as powerful institution on which NGOs are dependent for gaining subsidy and support. Since NGOs often left no other choice then to follow the requirements of the government, especially when it came down to the subsidy application, it was rather hard for them to enact an active strategic response that enclosed a lot of resistance.

Another explanation for the amount of passive enacted strategic responses could be found in the constriction of NGOs' control and corresponding rigidity in this situation. The findings show that the investigated NGOs experienced a fear for losing governmental subsidy, which indeed can be seen as a threat condition (Staw, Sandelands & Dutton, 1981). The consequences for organizations that conceive threat lie in an increased formalization of procedures that eventually lead to a constriction of control and rigid organizational behavior. With all the requirements and corresponding fear for losing subsidy, NGOs strategic behavior may have become less varied or flexible and the threat could have resulted in the fact that NGOs responded in a rather passive way (Staw, Sandelands & Dutton, 1981).

However, the strategic responses compromise, avoid and defy were also applied by NGOs while reacting to the institutional pressures out of their environment (Oliver, 1991), although not so frequently as acquiescence. This can be explained with the conflicting demand statement of Pache and Santos (2010) that shows to be applicable for NGOs. Findings of this study first show that NGOs indeed have relations with many institutions like governments, financiers, (Southern) partner organizations and critics, and are therefore exposed to conflicting demands which makes it difficult to acquiescence to institutional pressure at all times (Pache & Santos, 2010). Most often a single representation occurred while employees of the NGOs turned out to be relatively aligned about the institutional pressure. At the same time the demands turned out to have a means nature; this because the government aimed to increase the effectiveness of NGOs and not the goal of NGOs with the implemented policy changes. The combination of a means nature of the demands and a single internal representation of the demands increases the choice for avoidance and defiance as enacted strategic responses of organizations (Pache & Santos, 2010). This appears to be applicable for the examined NGOs in this study.

Another interesting finding is that respondents experienced a certain level of similarity amongst NGOs, although this does not apply for the Evert Vermeer Foundation since they have a rather different aim and no Southern partners. The afore-outlined strategic responses confirm this similarity and therewith demonstrate that the actual differences in how NGOs deal with institutional pressure are relatively low in this comparative case study. Oxfam Novib, ICCO and Hivos are all implementing a decentralized organizational structure; they all increased their external funding and also complied at a relatively same

manner with the cut downs. Although each NGO focuses on somewhat other themes, operates in slightly different countries, and has own strategic priorities at the moment, they became more homogeneous in their structure and output. This institutional isomorphism (DiMaggio & Powell, 1983) is validated by the following statement of a respondent:

“In the end, if you look at the types of projects and partners the three of us have and how we separately respond to the cut downs, the differences are not that large after all. At least smaller than everyone thinks and I do not exclude the fact that at one point in time we will unite.”

A possible explanation for this isomorphic behavior could lie in the fact that the Oxfam Novib, ICCO and Hivos have approximately the same size, goals and reputation. It could be expected that the differences would be not that large. Investigating the strategic responses of the EVF, which is considerably different in size and goals, shows that with more diverse cases more diverse strategic responses could be found. The policy changes may have encouraged and increased the found similarities among NGOs in this study as well, in such a way that NGOs had to meet several requirements concerning alliance forming and country choices. It was necessary for them to respond to the requirements and to comply with the cut downs in order to maintain their legitimacy (DiMaggio & Powell, 1983; Ramanath, 2009). Therefore policy makers must ‘consider the impact of their programs on the structure of organizational fields’ (DiMaggio & Powell, 1983, p. 80). Neo-institutional approaches to the study of NGOs confirm this and suggest that NGOs that more and more cooperate with the government become isomorphic in their structures and processes (Ramanath, 2009). The statement of a respondent that is showed below, underlines this explanation:

“If you frame that many certain criteria, it is rather logical that NGOs will respond in a similar way. But we need to maintain diversity in the field. Therefore we have to prevent that the new development cooperation system will create a boring uniformity among NGOs.”

It can be concluded that the above-outlined and discussed strategic responses show that the institutional pressures made the NGOs apply a strategic focus. Whether this contained a further decentralization and work division among the alliance like Hivos, a focus on economical programs and oxfamization like Oxfam Novib, the choice to continue with the ‘ProCoDe’ process like ICCO, or a different interpretation of the Africa Day and seeking for continuance like the EVF; this study illustrates that the actual differences between NGOs’ strategic responses to the institutional pressures are not that large after all. Below it will be outlined how these strategic responses and changes in the development cooperation sector affected the role of NGOs.

Towards a more supportive and political role

The findings show that the recent developments, both worldwide and in the Dutch development cooperation sector, indeed have a considerable influence on the role of NGOs. The rise and strengthening of Southern NGOs, an advanced bureaucratic co-financing system with more requirements and less available governmental subsidy, a larger responsibility to create public support for international solidarity in the Netherlands and the call for NGOs to further decentralize, turned out to be the most important facets that push NGOs into a new direction.

All NGOs felt a diminishing of the direct financing role of Southern NGOs because of the strengthening of these Southern partners. Previous research underlines this finding and show that the developments in the South resulted in the fact that more often Southern NGOs draw financing from other sources, for example via their own government or via direct Embassy's funding, instead from Northern NGOs (Ruben & Schulpen, 2009; Lewis & Sobhan, 1999; Bebbington & Riddell, 1995). Besides the fact that this leads to less bureaucracy, research shows that Southern NGOs prefer this way of direct funding to funding from Northern NGOs since it increases their authority and ownership (Ruben & Schulpen, 2009). The direct financing role that directly focuses on poverty reduction has not entirely disappeared yet and respondents expect this to diminish steadily. However, NGOs feel the need to transform into a more advisory, supporting and stimulating function with regard to Southern partners. The findings name direct fund raising assistance, knowledge transfer and mutual program creation and execution as important new focus areas of Dutch NGOs. This new relationship with Southern partners requires a different approach for NGOs and the findings show that being present at the spot becomes even more crucial than it already was. Therefore NGOs decentralize even more in order to fulfill the new role with regard to Southern NGOs in an appropriate way. Although it showed that for some NGOs this decentralization process descended out of earlier made strategic decisions, it is a pleasant incidental circumstance that it facilitates the transformation of NGOs' role.

Aligned with this decrease of the direct poverty reduction role, it shows that NGOs felt the need to shift to a more political role as well and invested in their lobby department. While being a member of international networks and obtaining consequent knowledge and information, NGOs should focus more pressuring players that truly can make a difference in order to improve the underlying systems. This is in line with Ridell (2007) who argues that NGOs are able to get many things done with regard to institutional developments and states that as added value. Connected to the Dutch support for development cooperation and international justice, NGOs moreover feel the aim to make the sound of the South more visible in Dutch politics and the society. This resulted in the fact that several NGOs

already lay more emphasis on lobby and campaign activities to gain attention for the situation in the South in the Netherlands.

Last, the findings show that the increased bureaucracy of the governmental co-financing system with more requirements and at the same time less available subsidy, experienced resistance from the NGOs. Edwards (2004) refers to this increased bureaucracy and requirements in such a way that the institutional logic seems to take over the developmental logic and NGOs suffer from that. By strategically focusing more on external fundraising, like outlined above, all NGOs aim to become less governmental dependent in the future to make sure that they can accomplish their changing role at an autonomous manner. Interesting to stress out here is that the supportive and political role encloses less money, and a shift towards these roles can perhaps compensate the cut downs and subsidy reduction.

5.2 Conclusion

With regard to the research question, it can be concluded that a thickening trend break arose in the Dutch development cooperation sector, with a gap between the regulatory government on the one side and the autonomy-and-independence-seeking NGOs on the other side. Change was in the air, and critical sounds from both the political and societal climate made NGOs and the sector ready for a transformation. Alliance forming and complying with the 60% country overlap requirement were the main strategic reactions of NGOs as a result of the policy changes. By means of the reduction of program scales, withdrawal from countries and consequent programs, cancellation of new initiatives, decentralization, personnel and/or salary reductions and priority shifts, NGOs aimed to compensate the money shortage. In addition, external fund diversification is applied in order to decrease the governmental dependency. The findings show that above all, the NGOs applied a strategic focus and are becoming more homogenous. This study furthermore finds that the developments in the South and, to a smaller extent the policy changes as well, gave good thought for NGOs to rethink their role. A shifting role from being a direct financier towards a more political and supportive role is based on the strategic responses already noticeable. However, all NGOs take their own pace to transform and some are already further than others in the change process.

Is it a bad thing that NGOs had to apply a strategic focus and form an alliance? Probably not. Is it regrettable that many programs with good results had to be dropped because of the cut downs? It most likely is. Did the changes in the sector really created a more effective and modern development cooperation sector? Time will tell. Although I truly believe that this study shed some new light on these appealing questions, it also showed that we are dealing with a rather debatable phenomenon.

Notwithstanding, based on all the developments in the current global world it is not strange to argue that the changes and cut downs to some extent were inevitable. A (relatively) stagnated Western economy resulted in the fact that many matter-of-course things are not so obvious anymore and many more Dutch sectors, like healthcare, defense, and culture, go through painful cut downs and changes as well. However, whether the heavy changes and cut downs in the Dutch development cooperation sector are a blessing in disguise for NGOs after all, I leave up to the reader.

5.3 Limitations

Despite all efforts to conduct this comparative case study in a comprehensive and dependable manner, there are a number of limitations that have to be considered when interpreting the results and implications. First, a more heterogeneous sample of cases could have increased the generalization of the findings while gaining more insights in the different strategic responses of small, large and varied NGOs. Although I tried to obtain a diverse range of NGOs, it turned out to be rather difficult to get in and I had to stick to the close contacts of the EVF. Three out of four investigated NGOs of this study are therefore considerable homogeneous when looking at the history, size and activities, which makes it somewhat difficult to generalize the findings to all other NGOs in the Dutch development cooperation sector. However, by also including the EVF in this study I aimed to increase the diversity.

Second, going native is a problem that researchers often face while conducting case studies and also applies for this study. It is seen as an over-identification with the data, when a total adaptation of the interpretive view of respondents occurs. This hinders a detached view that is required for a theoretical and objective analysis of the data. Although I included interviews with critics, experts, politicians and employees of the Ministry of Foreign Affairs that showed me the other side of the story, I sometimes may have swept away in the nag mode of NGOs, which often thought that the government was the wrongdoer and the only one to blame.

A third limitation of this study is the operationalization of the independent variable 'strategic responses'. During the interviews it became clear that organizational strategy is a rather broad concept and what exactly falls under a strategic response is open to interpretation. An indication of this comes from a respondent: *"It just depends on how you interpret strategy. What my colleague can perhaps understand as strategy, I could see as being a part of our operationalization."* Especially decentralization and internationalization were by some respondents questioned whether being part of the strategy or part of organizing the NGO. Although I aimed to find a good balance in this and followed the main opinion, the reliability of the independent variables could to some extent be limited.

A last limitation can be found in the fact that this study uses the framework of Oliver's strategic responses (1991) as guideline for explaining NGOs' responses. Since NGOs are not out to make profit and largely dependent on governmental institutions, they respond in a rather different way to institutional pressure than autonomous profit organizations. This possibly explains why the responses defy and manipulate are enacted so less since showing active resistance towards institutional pressure is rather difficult for NGOs. The question is whether this framework is actually applicable for organizations that are cooperating with their institutional environment as much as NGOs do.

It is not able to get round the limitations of this comparative case study. However, scientific research about this topic is rare and therefore the in-depth examination of the rich qualitative data can be seen as an important addition to and starting point for the current literature.

5.4 Recommendations

Directions for future research

Based on the abovementioned limitations and on the previous discussion, some future research directions concerning this topic can be identified. Examining the changes in the Dutch development cooperation sector and the corresponding interplay between the Dutch government and NGOs, resulted in several interesting findings that could be tested empirically. Questions like: *Did the Dutch development cooperation sector indeed become less fragmented as a result of the alliances formed for of co-financing system II?* and *To what extent are Dutch NGOs truly less impactful in development countries with the changed strategy?* require quantitative investigations and more hard data. Future research needs to expose these issues and focus on transparent results of NGOs.

Because of time constraints, this study had a cross-sectional character. For future research concerning institutional changes it would be relevant to measure the changes over time in a longitudinal study. This will provide more insight in the actual changes that happened because of institutional pressure. In addition it would be of great value to include more, and at the same time also more diverse, NGOs in the sample. This will increase the external validity and makes it able to generalize the findings to other NGOs the development cooperation sector.

Based on the finding that the relationship between Dutch NGOs and Southern partners is changing, a more in-depth study of this interaction could shed light on the actual differences that occur. It is important to take Southern NGOs along in such a study since they may have other opinions about this new expected role of Northern NGOs. At last, it would be an improvement to make use of a second

researcher in future research on this topic. He or she could judge the findings and correct for emerging biases, which possibly came forward out of the going native problem.

Practical recommendations

Notwithstanding the fact that both the government and NGOs without doubt will have the best intention to come to an effective and modern Dutch development cooperation system, the conclusions of this study lead to several practical recommendations that could be beneficial for this. NGOs' strategic responses and the interplay between NGOs and the Dutch government play an important role in this.

Eventually the Dutch government and NGOs want the same: NGOs need to become less dependent from the government and have to find their legitimacy and autonomy back. With an increased strategic focuses on external fundraising, Dutch NGOs already made a move in the right direction, whether or not out of necessity. Now the government has to come along as well, since implementing a co-financing system with this many requirements for NGOs to follow governmental policy is not stimulating autonomy at all (WRR Report, 2010). It is rather contradicting to on the one hand ask from NGOs to become more self-directed, while on the other hand tighten the rules with regard to governmental subsidy yourself. The government should therefore give NGOs a chance to come loosened from them e.g. by diminishing the co-financing requirements and provide them with space in order to take their own mission as a starting point.

Aligned with this, the government should rethink the country overlap requirement for possible next co-financing systems. This research shows that the added value of NGOs lie in cooperating with players of which the government is often not able to do business with. In this way the aimed complementarity can also be reached when the government and NGOs are both active in other countries and fields and therewith strengthen each other's work. Besides, the increased similar characters of the three large investigated NGOs forecasts that an increased cooperation and perhaps even a joining together are not excluded in the future. This would reduce the fragmentation even further, but if the government wants to stimulate this they should remove the upper limit of the subsidy request. Now this is 106 million Euros per application and this could keep large NGOs from joining forces.

For NGOs it is important to be more transparent about their successes and failures. Although this already increased the last couple of years, the critical sounds make it even more necessary to show what they are doing. It is the role of the society, politics and journalists to stay critical and keep NGO sharp and this will even further continue. In addition, the changed relationship with partners in the South and

the decentralization makes it more important for Dutch NGOs to involve the South in their policy and strategy making. Although the majority of the NGOs -to some extent- implemented this already, large steps need to be taken in order to 'take the actual Voices of the South into consideration' (Kon Kelei LLM, Voices of the South Symposium, 2011). Furthermore, NGOs should try to play a proactive role in the change process of the sector in order to change the 'subcontractor' idea. Wouldn't it on forehand been a good idea to form alliances instead of waiting for the government to require this?

This is aligned with the fact that NGOs in this study showed to be somewhat afraid for losing their financial support (in line with Bebbington, 2005; WRR Report, 2010). Therewith their 'independent comment- and criticism role' concerning the Dutch government seemed to decrease as well. Whereas NGOs all agreed upon the fact that criticizing Southern governments and multinational organizations is necessary in order to come to the best development aid, they find it rather hard to censure their own 'feeder'. This not doing what you say you want to do shows an incongruity between ideas and actions and is an example of what Brunsson (2003) referred to as organizational hypocrisy. In case of powerful institutions, like the Dutch government, and other conflicting demands of Southern partners it is fairly logical that NGOs are somewhat reserved in being critical. However, this is exactly the added value of being a NON-governmental organization since they have contacts and stakeholders in the South. NGOs should therefore keep in mind their criticaster role for the Dutch government and their corresponding development policy in order to come to the best possible system and remain the healthy tension.

Above all, the Dutch government and NGOs should strive for a two-way dialogue and have equivalent and open discussions about their collaboration and about the future of the sector. An accurate cooperation between the government and NGOs is seen as an essential factor in scaling-up the impact of NGOs activities since they more and more have to relate to larger political and socio-economical processes (Atack, 1999). It is therefore necessary to reconcile all different interests into the overarching objective of eradicating poverty. Or like Dr. Praful Bidwai from India putted it during the Voices of the South Symposium (2011):

"It is time to harmonize and be transparent... Governments and NGOs, international organizations and multinationals, the North and the South, the society and criticasters; we all need to cooperate and be open to each other in order to come to a better world and fight poverty. Let's go into action and start today for a better tomorrow."

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APPENDICES

Appendix I Table of interviewees

Interviews				
	Name	Function	Organization	# Quotes
1	Peter Heintze	Director	EVF	3
2	Mijke Elbers	Policy employee Fair Politics	EVF	2
3	Thijs Wentink	Coordinator public activities	EVF	2
6	Ton Meijers	Coordinator strategic plan and subsidy request for MFS II	Oxfam Novib	3
5	Hans Breekveldt	Senior advisor quality management and coordinator IMPACT-Alliance	Oxfam Novib	2
4	Wim Stoffers	Director Linkis program	Oxfam Novib	3
7	Caroline Wildeman	Coordinator lobbying and networking	Hivos	2
8	Erik Nijland	Coordinator business plan	Hivos	4
9	Roman Baatenburg	Press Officer	Hivos	1
10	Harry Derksen	Strategic advisor and coordinator ICCO-Alliance	ICCO	2
11	Wim Hart	Member of the board of directors	ICCO	2
12	Bram van Ojik	Head NGOs and civil servant co-financing system II	Ministry of OS	4
13	Rolf Wijnstra	NGOs expert and civil servant SBOS	Ministry of OS	2
14	Lau Schulpen	Development expert CIDIN	Expert	3
15	Linda Polman	Development cooperation journalist and author	Journalist	2
16	Sjoera Dijkers	Spokesperson development cooperation for the Dutch Labour Party (PvdA)	Political person	2
17	Johan Driessen	Spokesperson development cooperation for the Party for Freedom (PVV)	Political person	2
18	Riekje Camara	Party staff member development cooperation for the Socialists Party (SP)	Political person	2
19	Klaas Dijkhoff	Spokesperson development cooperation for the People's Party for Freedom and Democracy (VVD)	Political person	3

Table 4: An overview of the interviewees of this study.

Appendix II Topic list of the interviews

Interviews with NGOs

1. Introduction.

- 1.1 Introduction of myself and an explanation of the reason for this interview (guarantee anonymity!)
- 1.2 Could you please introduce yourself?
- 1.3 Could you explain what your function is at this NGO?
- 1.4 Could you explain the function of the department you work in?
- 1.5 Can you explain briefly what the aim of your organization is and how it is structured? USP?

2. Policy changes.

- 2.1 How do you see the relationship between the government and your organization?
- 2.2 Did this relationship change over time? If yes, how?
- 2.3 How dependent is your NGO from governmental subsidy?
- 2.4 What other forms of financing do you have?
- 2.5 What do you think about the modernization aim of the Dutch development cooperation system of the government?
- 2.6 What do you think about the corresponding policy changes of the government? (Co financing system II, SBOS, Focus, WRR Report)?
- 2.7 To what extent do you think this expresses the opinion of your whole organization concerning these changes?
- 2.8 What are the most important differences between the situation before these policy changes and the situation now?
- 2.9 To what extent do you think that these changes are beneficial for developing countries and the development aid in general?
- 2.10 To what extent are the demands from the government aligned with demands from your environment and related institutes?
- 2.11 To what extent do you see policy coherence back in all the policy changes?
- 2.12 How does the overall political climate concerning development cooperation look like according to you?
- 2.13 What do you think currently is the public opinion of the society about development cooperation and NGOs in particular?

3. Strategic responses.

- 3.1 What has specifically changed for your organization with regard to the above discussed policy changes?
- 3.2 How do you, as an NGO, respond to the policy changes (strategically)?
- 3.3 What are the main organizational changes that resulted out of these responses?
- 3.4 How did you react to the immense cut downs?
- 3.4 What does this imply for the realization of your main activities and your overall functioning?
- 3.5 To what extent does your whole organization agree upon these responses?
- 3.6 Do you think the recent policy changes and your corresponding responses increased the effectiveness of your organization and the Dutch development cooperation system as a whole?

4. Alliance forming.

- 3.1 Can you elaborate on your current alliance concerning the co-financing system II?
- 3.2 How did the collaboration come into being?
- 3.3 What are the specifics of the current collaboration agreement?
- 3.4 What is the purpose of the collaboration?
- 3.5 To what extent are the outcomes of your alliance beneficial for the Dutch development assistance?
- 3.6 How is the communication and structure between the partners within the collaboration organized?

5. New role NGOs.

- 4.1 What do you think about the intended increased role of the Dutch business world in development cooperation?
- 4.2 To what extent does this change your own role as being an NGO?
- 4.3 To what extent do all the current policy changes lead to a new role for NGOs?
- 4.4 How do you think the new role for NGOs will look like?
- 4.5 How do you think the Dutch development cooperation system will look like in 5 years from now?

Thank you very much for this interview, do you have any further questions or remarks?

*Interviews with experts and political actors*1. Introduction.

1.1 Introduction of myself and an explanation of the reason for this interview (guarantee anonymity!)

1.2 Could you please introduce yourself?

1.3 Could you explain what your function is?

1.4 Can you explain briefly what the aim of your organization/institution is?

2. NGOs and policy changes.

2.1 What do you think of the work of NGOs?

2.2 How do you see the relationship between the government and NGOs?

2.3 Did this relationship change over time?

2.4 How dependent do you think NGOs are and should be from governmental subsidy?

2.5 What do you think about the modernization aim of the Dutch development cooperation sector of the government?

2.6 What is your opinion of the corresponding policy changes (co finance system II, SBOS, increased role for the business world, focus)?

2.7 What do you think are the influences of the cut downs of the new government for NGOs?

2.8 Do you think the recent policy changes increase the effectiveness of the development cooperation system?

2.9 To what extent do you think that these changes are beneficial for developing countries and the development aid in general?

2.10 To what extent do you see policy coherence back in all the changes?

2.11 What do you think currently is the public opinion of the society about development cooperation and NGOs in particular?

2.12 How does the overall political climate concerning development cooperation look like according to you?

3. New role for NGOs.

3.1 What do you think about the increased role of the Dutch business world in development cooperation?

3.2 To what extent does this change the contribution of NGOs?

3.3 To what extent do all the current policy changes lead to a new role for NGOs?

3.4 How do you think the new role for NGOs will look like?

3.5 How do you think the Dutch development cooperation system will look like in 5 years from now?

Appendix III Concept operationalization

Concept	Data	Key operationalization
Governmental dependency	Interviews	How do you see the relationship between the government and your organization? How dependent is your NGO from governmental subsidy?
	Hard data	Financial report 2008 – 2010: amount of subsidy vs. own money in
Policy changes	Interviews	What were the main policy changes for your NGO? Which policy change had the most impact on your organization?
Perceptions of the policy changes	Interviews	What do you think about the recent policy changes of the government? To what extent do you think that these changes are beneficial for the effectiveness of the Dutch development cooperation system?
Strategic responses of the NGOs	Interviews	What has specifically changed for your organization with regard to the policy changes? What are the main organizational changes that resulted out of these responses? What does this imply for the realization of your main activities and your overall functioning?
	Hard data	Annual reports 2008 – 2010 and Strategic policy plans 2008 – 2010: strategic changes
New role for NGOs	Interviews	To what extent do the current policy changes lead to a new role for you as an organization? How do you think the new role for NGOs will look like in about five years?
	Hard data	Strategic policy plans 2008 – 2010: role definition
Political climate	Interviews	What does your Party think about Dutch development cooperation and the work of NGOs? How does the overall political climate concerning development cooperation look like?
Societal climate	Interviews	What do you think currently is the public opinion of the society about development cooperation and NGOs in particular? Decreased public support? What is the reason for the increased critical books and publishing's?

Table 5: Concept operationalization

Appendix IV Coding framework with code families

Relationship government and NGOs	Strategic responses MFS II and SBOS	Strategic responses cut downs	Political and societal environment	New role for NGOs
<ul style="list-style-type: none"> - Dependency - Finance - Anxiety - Trust - Complementary - Subcontractor - Gap - Autonomy - Strategic partner - Interdependency - Healthy tension <i>(criticasters)</i> - High control - Oppressive relation - Rusted - Lengthening piece - Rules and regulations - Restrictions 	<ul style="list-style-type: none"> - Alliance forming - Back office for alliance - Added value partnerships - Fragmentation - Rushed strategic decisions - Time consuming - Bureaucratic - Forced obligations - Coherence - Uniformity - Country choices - Thematic choices - Relocation - Creativity 	<ul style="list-style-type: none"> - Reduction of countries - Redundancies - New ways of fund raising - Decentralization - Invest in fundraising - Cooperation with companies - Program reductions - Program cancelations - Salary reductions - Strategic focus - Strategic alignment with other NGOs - Function diversification - Role shift - Efficiency - Creativity 	<ul style="list-style-type: none"> - Trust - Ambiguity - Cynicism - Coherence - Own interest - Growing role business world - Economical growth - Tight ends - Thematic focus - Negativity - Innovation - Economic growth - Intervention - High control - Rules and regulations - Criticism 	<ul style="list-style-type: none"> - Less direct funding role - Reinforcement Southern NGOs - Contractors role - Broker <i>(making connections)</i> - Public support creator - Autonomy - Independency - Lobby role - Organizing counterforce - Innovative campaigns - Network role <i>(for exercising pressure)</i> - Social enterprising - Mediator - Fund diversification

Table 6: Coding framework with code families

Appendix VI Results of co-financing system II

<u>Toegekende subsidie MFS-2</u>			
Penvoerder	Alliantienaam	Mede-indieners	TOEGEKEND
IKV PAX CHRISTI	Freedom from fear	Amnesty International afdeling Nederland; Europees Centrum voor Conflictpreventie; PressNow	50.657.255
SPARK	United Entrepreneurship Coalition	BiD network (Stichting business in development network)	24.065.596
OXFAM NOVIB	IMPACT	Onderzoek multinationale ondernemingen (SOMO); 1procentclub; Butterfly works; Himilo relief and development association (HIRDA)	421.265.160
CORDAID	Samen voor verandering - communities of change	Mensen met een Missie; IKV Pax Christi; Impunity watch; WEMOS; Nederlandse Rode Kruis; Both Ends	402.374.345
SIMAVI	WASH alliance	AKVO; AMREF; ICCO; Rainwater harvesting implementation network foundation (RAIN); WASTE	51.247.463
HIVOS	Hivos Alliantie	IUCN; Mama Cash; Press Now	308.171.872
ZOA	Dutch Consortium for Rehabilitation	CARE Nederland; Healthnet TPO; Save the Children Nederland	71.467.577
WPF	SRHR Alliance	AMREF; Choice; Dance4Life; Rutgers Nisso Groep; SIMAVI	50.681.531
ICCO	ICCO alliance	EDUkans; PKN/Kerkinactie; Prisma; Share people; Yente foundation; ZZg	382.538.991
IICD	Connect4change	AKVO; Cordaid; EDUkans; ICCO	46.288.717

WARCHILD	Connect Now	Child helpline international	23.726.590
WOORD EN DAAD	Woord en Daad & Red een Kind Alliance	Red een Kind	37.957.888
INTERNATIONAL CHILD SUPPORT	Together4change	Wilde Ganzen/IKON; Wereldkinderen; Nederlandse vrienden der SOS Kinderdorpen	52.289.963
PLAN NL	Child Rights Alliance	Child helpline international; Defence for children international/ECPAT Nederland; FreeVoice; International child development initiatives; Women Win	58.725.985
IUCN	Ecosystem Alliance	Wetlands international foundation; Both Ends	44.796.302
NEDERLANDS RODE KRUIS	Disaster Risk Reduction & Climate Change Adaption Alliance	CARE Nederland; Cordaid; Red Cross/ Red Crescent Climate Center; Wetlands international	40.227.115
FREE VOICE	Press Freedom 2.0	Mensen met een missie; European Partnership for Democracy (EPD); European Journalism Center; World Press Photo	21.816.220
BOTH ENDS	Fair Green and Global Alliance	Schone Kleren Kampagne; Vereniging Milieu Defensie; Nederlands Instituut voor Zuidelijk Afrika; Onderzoek multinationale ondernemingen; Transnational Institute	27.574.901
Totaal			2.125.000.000

Table 7: Overview of alliances and attributed subsidies out of co-financing system II (Ministry of Foreign Affairs, 2010).