



Beyond the “NGOization” of Civil Society: A Framework for Sustainable Community Led Development in Conflict Settings

Rashed Al Jayousi¹ · Yuko Nishide¹

Accepted: 30 March 2023 / Published online: 19 April 2023
© The Author(s) 2023

Abstract In this study, we aim to investigate the much shrouded and problematic role of civil society organizations (CSOs) in conflict settings. We argue that to go beyond the “NGOization” of CSOs, there is a need to have a macro perspective of the interaction mechanisms between the shifting dynamics that CSOs play in development efforts. This lack of perspective impedes the ability of CSOs to navigate challenges in conflict settings because examining CSO dynamics independently will not be sufficient to develop effective solutions. Therefore, we investigated the interplay between dynamics in the case of Palestinian CSOs through our interactive framework, where we identified three main barriers faced by CSOs and eight interaction mechanisms between each of the dynamics and the barriers. Our framework appeals to policymakers and practitioners alike by offering practical implications emphasizing the role of locally led initiatives that mobilize communities to innovate and govern, with guidance from CSOs.

Keywords Conflict settings · Palestine · Governance · Social innovation · Policy dialogue · Institutional theory

Introduction

Imagine a small village in a remote region in a war-torn country. The government is unable to provide basic necessities such as health care or education due to conflict

and economic crisis. Here, we start to see CSOs forming and filling the gaps, providing the basic services to the community, often assuming a governing role by tackling issues that face their community either by innovating solutions, networking, knowledge sharing, or advocacy. However, as time passes, these organizations may become heavily reliant on donor funding and lose touch with the needs of the community they were meant to serve. This is just an example of the complex and often problematic role that CSOs play in development efforts in a conflict setting that the study intends to investigate in depth.

CSOs have been viewed as a “magic bullet” for achieving development success (Edwards et al., 1995). They are often viewed as less bureaucratic and corrupt than governmental bodies, as well as better advocates for social change (Howell & Pearce, 2001). In many developing countries, where governments cannot effectively provide public goods and services due to conflict, historical legacies, political factors, and economic factors, the provision of these necessities has shifted from governments to CSOs (Haddad, 2016; Turner, 2014). However, some critics have argued that the increasing technicization and marketization of CSOs has resulted in the depoliticization of civil society (Srinivas, 2022), the neutralization of dissent and resistance (Arda & Banerjee, 2021), and financial dependence on donors, which has led many CSOs to become donor-driven rather than demand-driven (Suarez & Gugerty, 2016). Moreover, the dependence of CSOs on donors has promoted the exclusion of minorities and disconnection from their constituents (Challand, 2008), leading to what has been called the “NGOization” of civil society (Chahim & Prakash, 2014; Jad, 2003).

Despite the growing importance of studying CSOs in extreme contexts (Arslan et al., 2021; Meyer & Simsa, 2018; Waerder et al., 2022;), such as conflict settings, there

✉ Rashed Al Jayousi
rjayousi95@gmail.com

¹ Graduate School of Economics and Management, Tohoku University, Sendai, Japan

remains a significant gap in our understanding of how different CSO dynamics, such as internal and external governance, policy dialogue, social innovation, knowledge management, and service provision, interact with each other in a conflict environment. The authors argue that such a gap hinders the development of effective models and strategies for CSOs to overcome the challenges they face and continue to serve the needs of the community. In other words, we still lack a macro perspective of how different dynamics impede CSOs from adapting to challenges in their extreme environment. Additionally, scholars in the field have called for more qualitative studies on extreme contexts and trust issues due to historical legacies (Hallgren et al., 2017).

Therefore, this study aims to fill the gap by investigating the complex interplay between different dynamics within CSOs operating in extreme conflict settings. The research question of this study is, *how do various organizational dynamics within CSOs interact with each other in a conflict setting, and how are these interactions influenced by the conflict setting?* By analyzing the interactions among each of the dynamics, this study provides critical insights and practical recommendations that will appeal to policymakers and practitioners dissatisfied with the narrow, technocratic focus of “management science” (Coule et al., 2022).

To investigate the interplay of different dynamics, the study builds on the distinctive case of Palestinian Civil Society Organizations (PCSOs) in the context of conflict. A rarely studied context in organizational studies (with exceptions, see (Arda & Banerjee, 2021; Morrar & Baba, 2022)) given the protracted conflict in Palestine, engaged scholarship presents an opportunity for collaboration between academics and community-based practitioners (Boyer, 1996). This study focuses on PCSOs operating in the context of the Israeli occupation of Palestine in the West Bank and Gaza Strip (Gordon, 2008), which has created a unique and extreme setting where Palestinian non-governmental organizations (NGOs) exercise power in areas of limited statehood (Arda & Banerjee, 2021). PCSOs have played governance roles and provided services to marginalized populations even before the establishment of the Palestinian Authority (PA) in 1995 (Challand, 2008). What makes PCSOs unique is that they were founded as a result of the Israeli occupation and have persevered and developed despite the extreme conditions imposed by the occupation (Kassis, 2001).

The study employed a mixed-methods approach that combined documentary analysis conducted 20 semi-structured interviews and administered 18 semi-structured questionnaires to top management-level representatives of various PCSOs. By analyzing the data thematically, the authors developed an interactive framework that illustrates the barriers of each dynamic and the interactions between

them. Three main barriers were identified: the “governance trap cycle,” “effectiveness trap,” and “institutional trap.” The findings suggest that addressing each dynamic in isolation will not suffice to overcome the multiple barriers encountered by CSOs in extreme contexts. Instead, a comprehensive and integrated approach is needed to replace the current model of aid-dependent civil society with locally led initiatives that mobilize communities to innovate and govern with the guidance of CSOs. Ultimately, the implications for practitioners and policymakers are to establish a flexible institutional environment that enables CSOs to develop resilient and sustainable communities to overcome external environmental pressures.

Theoretical Background

Operational Definition of CSOs

CSOs in conflict settings can be characterized by seven general and specific criteria proposed by the previous literature. These criteria include the autonomy of the societal sphere from state institutions and other actors, the independence of the public sphere, legal and normative protection of societal agents and institutions, and a solidarity sphere based on resource redistribution (Kamali, 2001). Also, CSOs should have a positive vision of social participation, accept basic rights and rules of toleration, and refrain from political violence to achieve autonomy (Challand, 2008).

Institutional Theory and CSOs in Conflict Settings

In conflict settings, CSOs operate within a complex institutional environment shaped by multiple actors. In our case, these actors consist of the Israeli government, the PA, and international donors. These actors create a set of formal rules, including laws and regulations, and informal rules, such as norms and values, that shape organizational behavior and practices (DiMaggio & Powell, 1983). Institutional theory suggests that organizations, including CSOs, are influenced by the broader institutional environment in which they operate within (Scott, 2013). Extreme contexts, on the other hand, refer to situations characterized by high levels of uncertainty, ambiguity, and complexity, where traditional rules and norms may not apply (De Waard & Kalkman, 2022). In such a context, institutional theory provides a useful lens for studying how CSOs in conflict settings navigate and respond to institutional pressures they face. The institutional environment for CSOs includes the legal framework, funding sources, and societal expectations surrounding their activities (Meyer & Rowan, 1977).

Institutional theory offers two different viewpoints: institutional isomorphism and institutional entrepreneurship. The former refers to the pressure that organizations confront to adapt to the institutional norms and practices (DiMaggio & Powell, 1983); such pressure can come from donors, regulators, and stakeholders. Conversely, the latter refers to the efforts of the organizations' attempt to change the institutional environment in which they operate (Battilana & Dorado, 2010), challenging the set of informal rules. So, the dynamics of CSOs can be influenced by and can also influence the institutional environment.

Moreover, institutional theory recognizes volatile institutional contexts through institutional complexity, institutional voids, and extreme operating environment (Cruz et al., 2016; Jarzabkowski et al., 2013; Mair & Marti, 2009). Institutional complexity presents contradictory demands and requirements from the institutional environment, leading to dysfunctional behavior (Jarzabkowski et al., 2013). Institutional voids occur when institutional arrangements are in a state of absence, failure, or weakness, making it difficult to cope with contradictory and incoherent behaviors (Mair & Marti, 2009). Extreme operating environments characterized by increased risk, uncertainty, and scarce resources emerge due to natural disasters that damage and disrupt organizations, leading to actors no longer relying on established organizations (Cruz et al., 2016). In developing countries, emerging fields lack widely recognized norms and practices, making the adoption of new practices difficult due to the absence of leading organizations and widely accepted appropriate practices (Maguire et al., 2004).

One approach to institutional theory that may be especially relevant to this case study is the inhabited institution approach that emphasizes the active role played by actors within institutions in shaping and transforming them (Hallett & Ventresca, 2006). This approach recognizes that change could be shaped by the intervention and strategic actions of individuals and organizations within institutions, not only through external pressures. Thus, it focuses on the interactions between local and extra-local embeddedness (Hallett & Ventresca, 2006). Such an approach helps us examine CSOs navigating extreme institutional environments as well as explore the interactions between what happens within organizations and broader phenomena outside of the organization (Whittington, 2006).

A Focus on CSO Dynamics

CSOs are not a homogeneous group, and their interests vary and are in constant change. Accordingly, understanding the six dynamics of CSOs can provide insight into stakeholder relations, governance structure, knowledge

management, policy dialogue, service provision, access to services, and social innovation in extreme settings.

Internal Governance

Internal governance of CSOs encompasses the governance structure, participatory decision-making processes, and accountability to internal stakeholders (Steen-Johnsen et al., 2011). However, managers often control the membership process of the general assembly (GA), resulting in marginalization and manipulation of GAs and board of directors (BoDs) (Awashreh, 2019). This is due to the founders' pursuit of self-interested gains, such as political affiliations or financial gains (Challand, 2008).

External Governance

External governance refers to CSOs accountability and relationship with stakeholders; in our case, it is the Palestinian public, government, donors, and the PA. Most research suggests that PCSOs are donor-driven, which results in accountability being upward toward donors rather than the public (Bishara, 1996; Challand, 2008). The appearance of the PA in 1995 brought donor aid to support the peace process, leading to an increase in aid-dependent organizations (De Voir & Tartir, 2009). When the aid stops, these organizations stop working on their projects, threatening sustainability and creating negative competitiveness (Atia & Herrold, 2018; Reis et al., 1999).

Policy Dialogue

Policy dialogue allows stakeholders to collaborate toward solving public issues (Nabyonga Orem et al., 2016). CSOs engagement in policy dialogue is hindered by service provision priorities of larger NGOs, political factionalism, lack of trust, and international agendas (Hammami, 2000; Costantini et al., 2011). Bottom-up policy dialogue is key to regaining public trust.

Service Provision

While PCSOs play a vital role in providing services to marginalized populations, the sole focus on service delivery leads to a mission drift insight of dependence on aid (Atia & Herrold, 2018). Donor-driven PCSOs have led to duplication of projects, loss of public trust, and a shift in service provision from public needs to donor agendas (Morrar & Sultan, 2020).

Knowledge Management

Knowledge management involves creating, using, and sharing knowledge but lacks strategic benefit (Zack et al., 2002). Tacit knowledge is at risk of being lost without mechanisms for sharing (Uriarte, 2008). Palestinian NGOs face gaps in knowledge management including reliance on non-evidence-based reporting, data monopolization, lack of capacity for translation and dissemination, and research for personal or donor agendas (Alkhalidi et al., 2021).

Social Innovation

Social innovation (SI) offers an alternative to donor-aid-driven models and aid dependency, defined as an approach to satisfy social needs and generate social value (Borzaga & Bodini, 2012; Phills et al., 2008). However, for SI to be effective in Palestine, three barriers must be overcome, including a lack of culture for SI, negative competitiveness between CSOs, lack of coordination between donors and CSOs, and low capacity to innovate (Morrar & Baba, 2022).

Research Methodology

Research Design

To answer the main research question, a concurrent triangulation design was adopted. This design involves concurrent but separate collection and analysis of both qualitative and quantitative data, allowing the researchers to gain a deeper understanding of the research (Creswell & Clark, 2007; Morse, 1991) (See Fig. 1). The two data sets were merged through interpretation. Qualitative design is appropriate for examining exploratory and underexplored phenomena. This study relied on a single case study, which offered a distinctive empirical setting, namely PCSOs. Single case studies are highly conducive to immersion in a specific phenomenon to extract more theoretical insight (Patton & Fund, 2002). This case study can be considered unique or extreme due to the Palestinian-Israeli conflict, which has lasted for decades and is specific to Palestine (Yin, 2003). This uniqueness is considered a strength as it provides insights into individual experiences and interpretations (Bluhm et al., 2011). Despite its unique nature, the authors argue that the study's transferability is not hindered and that it can be applied to other war-torn or fragile states.

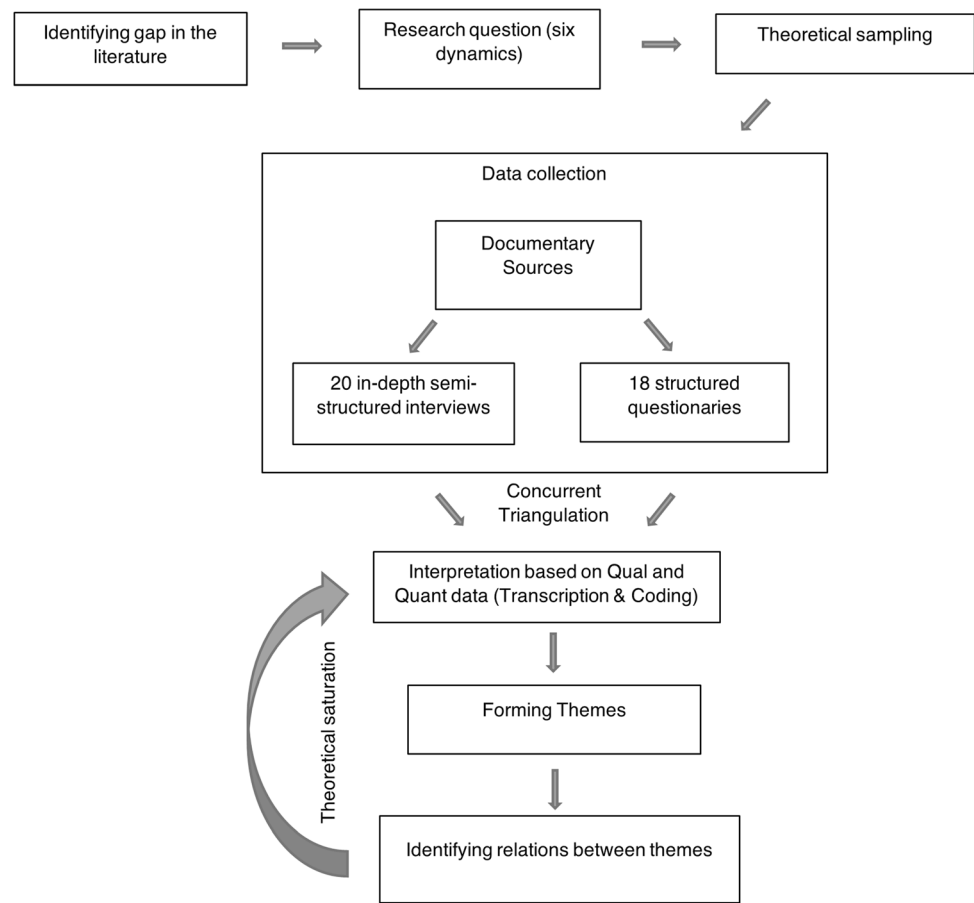
Empirical Material

In the qualitative methodology, the study used two empirical sources to ensure data triangulation and rigor

(Patton & Fund, 2002). The first source was an analysis of documentary sources, including project and activity reports, research studies done by CSOs, policy documents of CSOs, national policy agenda, guidelines, and bylaws of CSO thematic networks, unions, and working groups. The second source was semi-structured interviews, allowing the researchers to have in-depth conversations with the interviewees examining each specific sector and the organization's challenges and outlook on each dynamic. In total, 20 semi-structured interviews were conducted, with 17 of the 20 being with top management and the rest with team management. The main author is fluent in both formal and colloquial Arabic and English, allowing the interviewees to pick any language that ensures the best communication environment. Consent was taken orally to record each interview and preserve the identity of the CSOs and the interviewees, allowing them to speak freely. The study based its selection on the level of different CSOs and the 12 different sectors as identified by the International Classification of Nonprofit Organizations (ICNPO) that apply to the Palestinian PCSOs (Salamon & Anheier, 1996). The interviews were recorded with the consent of the interviewee, which is essential for transcription and coding later in the data analysis phase alongside the interview notes (Jamshed, 2014). The first author has three years of experience in working with CSOs, allowing him to facilitate interviews and earn the confidence of interviewees, and that, in turn, helped facilitate new exploratory data.

This study aims to examine all non-state, not-for-profit, nonviolent, and nonpartisan organizations, including NGOs, nonprofits, community-based organizations (CBOs), and umbrella organizations, to develop a better understanding of PCSOs and examine different dynamics across various levels. The study adopted a mixed purposive sampling with multiple criteria. In these criteria, participant organizations were picked based on their sectors, levels, and geographical area, so they were able to provide an even view of CSOs.

In quantitative methodology, a structured questionnaire was developed consisting of 51 questions that covered not only each of the six different dynamics but also information about respondents and their organizations. Moreover, the survey questions were cross-validated by three different professors considered experts in the field of NGOs in Palestine, and the survey was offered in both Arabic and English, with the language revised and translated by an accredited translator. The questionnaire was designed to use appropriate language and wording to ensure that respondents could understand the questions and provide their attitudes and perceptions (Sekaran & Bougie, 2016). In total, there were 18 respondents.

Fig. 1 Research design and analysis processes

Data Analysis

This research utilized a thorough and rigorous process of data analysis to construct new concepts through thematic analysis. The analysis was carried out in four iterative phases (Braun & Clarke, 2021), as illustrated in Fig. 1. The first phase involved a process of familiarization through documentary analysis of the political and social context, as well as the inner workings of PCSOs. This phase focused on understanding various social issues that emerged over the years, the historical impact of the PA on PCSOs since its arrival in 1995, and the evolving relationship between different CSOs during the same period.

In the second phase, the semi-structured interviews and structured questionnaires were analyzed, and emerging patterns were coded and categorized into generated themes and subthemes using ATLAS.ti, a coding-based software (Braun & Clarke, 2021). To enhance the reliability of the results, all interviews were transcribed into English and used alongside interview notes and recordings (Merton et al., 1990).

In the third phase of the research process, the researchers created a thematic network to map out the themes and subthemes and explore their connections and interactions (Braun & Clarke, 2021). In the fourth phase,

the aim was to achieve theoretical saturation by revising the previous three phases until each developed theme could offer something unique and tell a compelling story.

Based on the four phases of thematic analysis, the researchers developed a framework to identify the main barriers and sub-barriers and their interactions, using the results of the thematic analysis. Three key barriers were identified, including the “governance trap cycle,” “effectiveness trap,” and “institutional trap.” Additionally, eight distinct interaction mechanisms between the dynamics and barriers were identified based on process thinking (Abdallah et al., 2019).

Findings: Barriers to Effective CSO Dynamics

In our analysis of the dynamics within PCSOs, we identified three obstacles that PCSOs commonly face. We have labeled these obstacles the “governance trap cycle,” “effectiveness trap,” and “institutional trap.” Each trap comprises two distinct yet thematically similar dynamics. In this section, we analyze each barrier and dynamic while exploring the eight different mechanisms through which each barrier influences the others, including “facilitating,”

“maintaining,” “controlling,” “weakening,” “fragmenting,” “mingling,” “hindering,” and “discrediting.” Figure 2 presents a synthesis of our findings, which both support and expand upon previous research and were generated through our thematic analysis.

Governance Trap Cycle

Internal Governance: Absence of Internal Accountability

For internal governance to function in any organization, there should be internal accountability from the executive director of the organization toward the GA and BoD. The GA and BoD provide internal oversight over the organization’s work and hold it accountable. Without this accountability, the executive director can make decisions without consequences. Our questionnaire showed that 15 out of 18 organizations hold elections every year or every three years, while 3 out of 18 had no answer. This indicates that most organizations in our sample adhere to holding regular elections. However, one participant identified a problem with the way the GA is composed, stating that

“civil society organizations’ general assembly always consists of 7 members, which is the minimum required, mostly consisting of their connections so they can pass their decision with a majority” (Interview, director of woman rights organization).

Our questionnaire also revealed that 8 out of 18 organizations stated that their board members participate in other boards, while 5 out of 18 had no answer, and the remaining 5 said their board members did not participate in other boards. During interviews, many participants also stated that they have served on several boards with their friends, indicating a form of cronyism between different CSOs to manage and control access to the BoD and GA, bending them to their will. Elections and the members of both GA and BoD become a formality, and their roles are limited to routine tasks. One participant confirmed this, stating that

“The general assembly is just a formality” (Interview, director of an education NGO).

Several interviewees recounted that some GA members do not even know that they can conduct a financial audit and

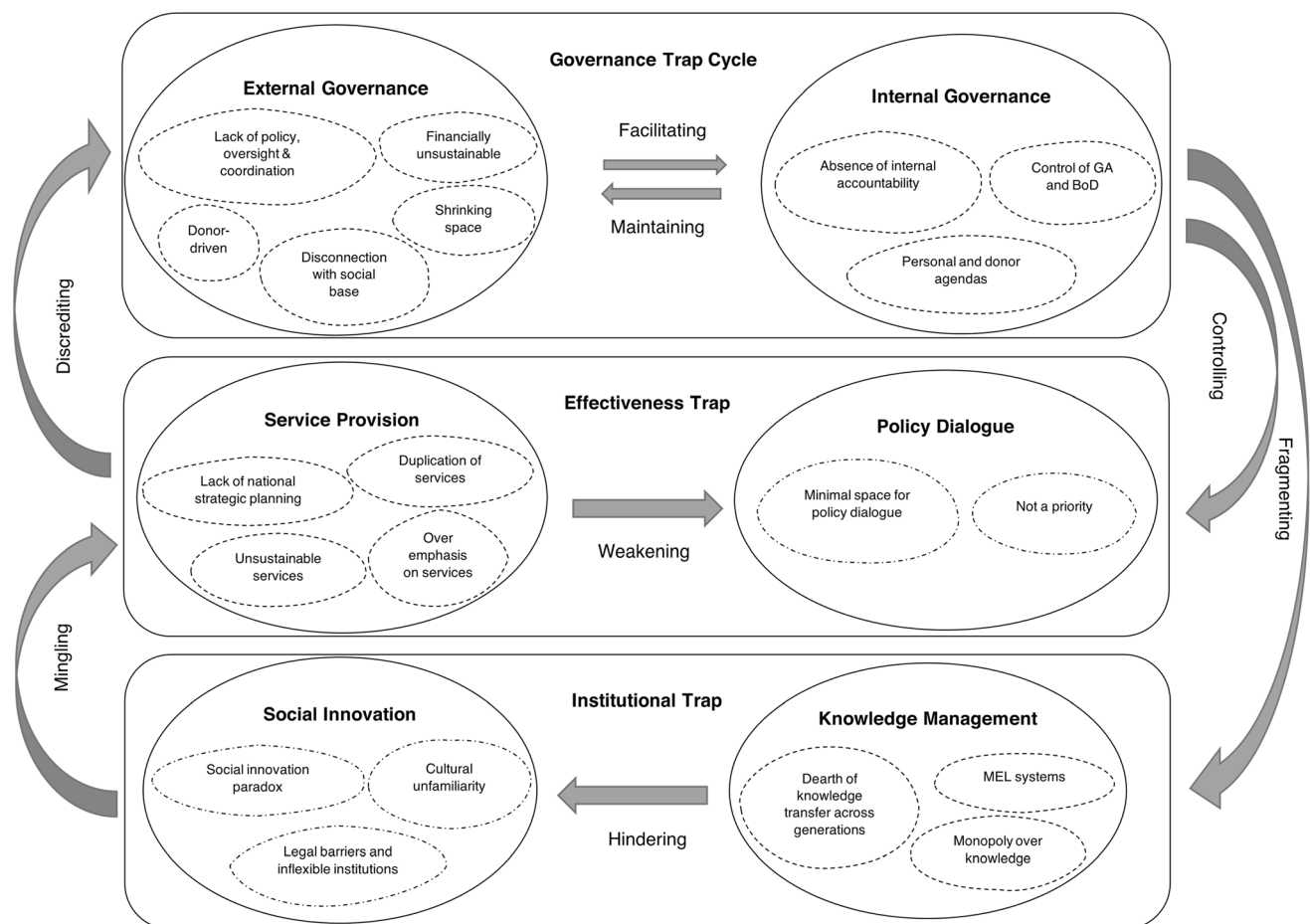


Fig. 2 Interaction framework of CSO dynamics

lack knowledge of their roles and responsibilities. Internal governance requires active oversight and participation from the board, not just formal elections but also fair participation and equal access to the GA. Due to inactive governance bodies internally, there is a lack of accountability that results in the executive director as the sole decision maker.

External Governance: Shrinking Space

In recent years, PCSOs have used the term shrinking space to describe the main issue facing CSOs, which has not been previously discussed in the literature. According to interviewed PCSOs, shrinking space is performed by multiple actors and takes multiple forms. The first form is the Israeli occupation, which has a clear strategy of delegitimization and defunding and has been a major hurdle for PCSOs for decades. However, there have been increased attempts lately to silence PCSOs and shrink their working space, as one interviewee explained:

“There is a strategy of delegitimization and defunding because it is a threat to occupation...They try to delegitimize Palestinian organizations through terrorist labeling and political affiliation. They also target funding sources. Slandering is their main objective” (Interview, director of human rights NGO Gaza).

This interviewee referred to an escalation by the Israeli defense ministry in October of 2021, where the Israeli government listed six human rights organizations in Palestine as terrorist organizations for prosecuting Israeli figureheads for war crimes in Gaza and the West Bank (OHCHR, 2022). One of the directors of these organizations stated that

“It affects us and any other institutions that face the same problem. What we are facing is the eradication of our organization as we are trying to protect our existence and our role. This is draining to us” (Interview, director of human rights organization).

The negative relationship between PCSOs and the PA creates a second form of shrinking space for CSOs. As one respondent described,

“There was a legal initiative to militarize CSOs. Under the pretext of security, they wanted to allow different security forces to intervene in the internal governance of CSOs. If there is a BoD election, they want to know the elected BoD members” (Interview, director of women rights CBO).

Fortunately, this attempt to exert power over CSOs failed after pressure from NGO networks prevented the

legislation from passing. However, the competition for power and resources is not limited to CSOs, as the PA also relies on donor aid to fund its activities, which creates hostility between CSOs and the government that is acting like an aid-driven CSO (Morrar & Sultan, 2020).

The third form of shrinking space is limited financial controls on CSOs performed by donors and PA alike, under the pretext of new money-laundering prevention laws in Europe. CSOs are now required to submit annual and activity reports of beneficiaries to banks before receiving funds. One respondent explained that

“most bank transfers take a month instead of one day. Each project requires a lot of vetting and even the smallest bank transfers. This is deterring donors from investing in this area” (Interview, director of development and social services NGO).

There are also attempts by the PA to pressure donors to direct aid through the government and disburse it to CSOs, thereby dictating their working space. Shrinking space is a significant challenge facing PCSOs, and it is caused by multiple actors and takes multiple forms. It is crucial to raise awareness of this issue and work toward solutions that ensure space for PCSOs.

The Governance Trap Cycle: Unaccountability and Disconnection

The “governance trap cycle” is a cycle of unaccountability and disconnection. This cycle shows the different relations between internal and external governance, which are based on the issues previously identified. The ‘facilitating’ interaction mechanism is caused by upward accountability toward the donor, aid dependency, financial instability, and lack of governmental oversight. Thus, a lack of oversight and accountability facilitates pursuits of personal gain by individuals who are responsible for the absence of internal accountability. In turn, the “maintaining” relationship refers to the lack of accountability and the pursuit of personal gains, which maintain the donor agenda, the lack of coordination, and the disconnection with the social base. As stated by one interviewee,

“A lack of governance inside promotes a lack of governance outside” (Interview, strategic advisor for a security sector governance NGO).

To break free from this vicious cycle, governmental oversight is necessary to eliminate personal gain. Raising awareness of the importance of internal oversight and encouraging public participation in GA and BoD elections can help to restore internal accountability. By implementing these measures, PCSOs can reestablish relationships with the social base, eliminate the cycle of

unaccountability and disconnection, and better address their needs. Thus, this barrier is the originating obstacle to PCSOs leading to other traps.

From the Governance Trap Cycle to the Effectiveness Trap: Controlling

Service Provision

The “governance trap cycle” highlighted the importance of internal accountability and governmental oversight in addressing the issues of personal gain, lack of coordination between CSOs, and disconnection with the social base. However, there is also an overemphasis on service delivery by PCSOs, which leads to unsustainability and duplication of work. One major cause of this is the absence of planning and vision from all actors, including the PA, donors, and CSOs. As one interviewee pointed out,

“There is an absence of vision and deviation from development goals that some institutions set, making you feel there is some state of deception. This lack of planning creates an illusion of sustainability and development, which can lead to dependent and unsustainable markets in agriculture that require exports and dependency on foreign markets” (Interview, cofounder of agriculture CBO).

Additionally, external and internal governance’s lack of accountability affects services by making them more donor-driven than demand-driven, leading to unsustainability and dependency. This creates competition between CSOs over aid, which has led to a lot of duplication in work and a lack of innovation in service provision. This lack of oversight and mechanisms to measure effectiveness discredits PCSOs in the eyes of the public.

To address this, there is a need for all actors to prioritize planning and vision, encourage coordination between CSOs when providing services, and implement mechanisms for measuring effectiveness ensuring complementary services. This will require a shift away from a focus on service delivery to a focus on demand-driven approaches that prioritize the needs of the community over donor agendas and external pressures.

From Service Delivery to Policy Dialogue: Weakening

The overemphasis on service delivery takes away attention and resources from policy dialogue. To create tangible solutions there should be a stronger focus on policy dialogue by CSOs that will also encourage local ownership and the effectiveness of services. One research participant recited the importance of policy dialogue in solving

societal issues rather than providing services through an example.

“In complaints, there was this phenomenon that there are violations facing citizens concerning their public freedoms. we don’t solve this issue by monitoring these violations. As I said at the beginning, we solve the policy that leads to this violation. So, we have to map out which bodies are our stakeholders and then we map out the stakeholders that serve these activities to produce this change” (Interview, acting head for a security sector governance NGO).

Another respondent mentioned the lack of policy dialogue engagement by CSO networks.

“Look, there are many networks in Palestine, but most of these networks don’t engage in the subject of policy engagement nor the idea of effecting policy change” (Interview, director of umbrella organization).

The reason behind this is because of the recent shrinking space faced mentioned in external governance, there is no space allowed by the Palestinian government that has a rivalry with CSOs. In addition, no structure allows for effective policy dialogue. Most participating CSOs in the questionnaire, when asked about the level of policy engagement between them and governmental institutions 10 out of 18, described it as weak to slightly weak, while the other five organizations described it as moderate.

From the Effectiveness Trap to the Governance Trap Cycle: Discrediting

The focus on service delivery has detracted attention and resources from policy dialogue, but it is crucial for creating tangible change and encouraging local ownership of services. As one research participant emphasized,

“we don’t solve violations of public freedoms by monitoring these violations...we solve the policy that leads to this violation. This requires mapping out stakeholders and engaging in policy dialogue to effect change” (Interview, acting head for a security sector governance NGO).

However, as another respondent noted, many CSO networks in Palestine do not engage in policy dialogue or aim to effect policy change (Interview, umbrella organization director). This may be due to the shrinking space for CSOs and the lack of structure for effective policy dialogue, as described in external governance. When asked about the level of policy engagement between them and governmental institutions, most participating CSOs in the

questionnaire described it as weak or slightly weak (10 out of 18), while another five organizations described it as moderate.

From the Governance Trap Cycle to Institutional Trap: Fragmenting

Knowledge Management

In many CSOs, there is a growing animosity between older, incumbent managers and the younger generation, which is harming the future of PCSOs. The issue was explained by one respondent as a problem in the youth–adult partnership, where older managers are unwilling to relinquish their positions and transfer their knowledge and experience to the next generation.

“This means the future of CSOs is at stake,” the respondent said, “where will the youth learn from...If you don’t have the experience to share and circulate, then it’s a problem. Youth today are just recipients and not policymakers. You need to empower them and help them become partners to be policymakers” (Interview, director of umbrella organization).

The transfer of knowledge between generations is crucial for the future of PCSOs, particularly considering the importance of technology in their capacities. The main reason for the rejection of such knowledge transfer is that the older generation has personal gains by staying in control. Thus, we have identified a “fragmenting” relationship between the governance trap cycle and the institutional trap. The lack of internal governance, combined with weak external governance, has led to fragmentation between current and older generations. Moreover, our findings confirm that CSOs implement monitoring, evaluation, and learning systems (MEL systems) for reporting. Some also use personalization strategies like progress meetings and group feedback assessments. However, research-oriented CSOs encounter difficulties with data infrastructure and ethics, resulting in a data monopoly culture (Alkhaldi et al., 2021).

From Knowledge Management to Social Innovation: Hindering

The animosity and fragmentation between generations within CSOs have led to cronyism and nepotism, which hinder social innovation and prevent young people from utilizing their technological capacities, thereby “hindering” the potential for addressing various societal issues. Unfortunately, the lack of government policies and strategies to support social innovation, coupled with legal barriers, exacerbates the problem. A cultural limit to social

innovation also exists in Palestine, with many believing that social innovation is not institutionalized and not part of the culture of CSOs. As one respondent notes, the legal barrier to profiting from CSOs poses a significant challenge:

“You cannot profit in a CSO; you have to be totally nonprofit, and not receive any money on an activity they give out. This is a very big challenge to these organizations” (Interview, head of research NPO).

Meanwhile, the “social innovation paradox” is a common problem with current initiatives. As another interviewee explains,

“The nature of organizations CSOs that went to social innovation are still donor-driven. They still use donor money to finance their activities. They tried to make social innovation a solution, but instead, there was a paradox. They want to use social innovation to stop relying on donors while still getting supported by the donor. The reason maybe was that social innovation was not enough to create financial revenue to substitute donor aid. Some organizations have had limited success, and some were unsuccessful” (Interview, head of research NPO).

Although many CSOs aim to be financially sustainable through social innovation, they paradoxically remain dependent on donors. This counter-intuitive and unrealistic situation further emphasizes the need for greater support and policies to enable social innovation to thrive. Many individuals believe that social innovation exists in some forms, but it is not widely recognized due to cultural limitations within Palestine. The current culture does not foster a spirit of risk-taking or innovation and lacks a culture of volunteerism, which hinders the progress of social innovation. Additionally, social innovation is not an established concept within the culture of CSOs and has yet to become institutionalized. Our analysis supports the findings of previous literature on social innovation (Morrar & Baba, 2022).

From Institutional Trap Cycle to Effectiveness Trap: Mingling

The interplay between the institutional environment and the effectiveness of CSOs can be characterized by an interaction mechanism of “mingling” that reinforces the status quo of fragmentation and limited effectiveness in service delivery and policy engagement. Barriers to innovation and knowledge transfer exacerbate the effects of the institutional barrier, leading to continued dependence on aid and little progress in service delivery. This lack of knowledge transfer across generations also poses a risk for

future policymakers and limits the potential for policy engagement by CSOs. To break out of this cycle, it is essential to address the institutional environment that hinders innovation and knowledge transfer. This requires a concerted effort to promote a culture of learning and collaboration within and across generations, as well as policy reforms that support social innovation and encourage greater engagement by CSOs in policy dialogue. Without such changes, the prospects for CSOs in Palestine remain uncertain, and their ability to effectively address societal challenges will continue to be limited.

Discussion

Institutional Lens on the Interaction Framework

CSOs operating in conflict settings face unique challenges that limit their effectiveness and credibility. Institutional theory provides a useful framework for understanding these barriers, particularly through the lens of inhabited institutions. One major challenge facing CSOs in conflict settings is the coercive pressure exerted by governments and other actors, such as the Israeli government's listing of human rights organizations as terrorist organizations or the Palestinian Authority's attempt to militarize CSOs. Rigid institutions also play a role in limiting CSOs' working space and independence, such as aid dependency and the norm of political affiliation and loyalty. These institutional pressures create a shrinking space for civil society that threatens the very existence of CSOs.

The framework identifies three main barriers that limit the effectiveness of CSOs in conflict settings. The "governance trap cycle" stems from the lack of accountability of CSOs toward their internal stakeholders and social base. This cycle of unaccountability exposes CSOs to corruption, cronyism, and the enforcement of donor and personal agendas. In conflict settings where formal governance structures are weak, CSOs may struggle to navigate informal norms and values to remain accountable to their stakeholders.

The institutional lens reveals that the limited engagement of CSOs in policy dialogue is a result of institutional pressures, such as donor-driven development, which prioritizes short-term, measurable results over long-term, sustainable change. This creates an effectiveness trap for CSOs in conflict settings, leading to unsustainable services, duplication of services, and a lack of coordination among CSOs. Donor dependency and the norm of short-term thinking in development also contribute to this trap, limiting the autonomy and flexibility of CSOs and their ability to address the root causes of societal issues through policy dialogue.

The "institutional trap" underscores how the inflexibility of formal institutions and individuals within CSOs obstructs the organization's ability to adapt and thrive in response to challenges. This barrier arises from legal barriers, as observed in our case where legal barriers impede social innovation effectiveness and a lack of opportunities for policy dialogue. This barrier is also reinforced by the informal practices of individuals, such as the animosity between older adults and young people due to cronyism.

The eight interaction mechanisms helped identify the main barriers and their influence on each other, including two new threats the shrinking space and animosity between generations. By using these mechanisms to identify root causes, practitioners and policymakers can develop interventions to address them.

Implications for Practice and Policymaking

As conflict persists in many parts of the world, CSOs operating in conflict settings face numerous challenges that hinder their ability to work effectively. There is a need for a model and methodology that address each of the barriers not individually but collectively, involving the participation of the public and locally led initiatives with guidance from CSOs. The current donor-driven, aid-dependent model is a significant barrier to the growth and sustainability of CSOs, and a bottom-up approach is needed to enhance accountability. Financial sustainability can be achieved through effective social innovation where there are no legal barriers and space for policy dialogue. Stakeholders must engage in creating policies that enable policy dialogue to overcome inflexible formal institutions and improve public oversight. CSOs need to be aware of social innovation and expand networks for coordination and establishment of databases for better service delivery and changed power dynamics. These networks should balance power dynamics and pressure policymakers to open space for dialogue. An example of a CSO with a bottom-up approach is the RAWA Fund. This fund supports local social initiatives addressing unique problems faced by communities, providing funding, mentorship, and networking opportunities. RAWA has been able to support sustainable, locally led initiatives that address the needs of their communities by putting social innovation at its core.

Acknowledgements We would like to express our sincere gratitude to the twenty Palestinian civil society organizations that participated in the interviews and questionnaire. Their valuable insights and contributions were essential in achieving the objectives of this study. We are also deeply indebted to Dr. Nedal Jayousi, who coordinated all the interviews and distributed the questionnaire. Without his tireless efforts and dedication, this study would not have been possible. We extend our appreciation to Dr. Rabeh Morrar, Dr. Diab Jarrar, and Dr. Sameh Atout for their assistance in cross-validating the structured questionnaire. Their expertise and guidance were

invaluable in ensuring the quality and accuracy of our data. We also extend our heartfelt thanks to Prof. Nidhi Srinivas and Prof. Ken Sakai for their valuable assistance and guidance in this study. We are also grateful to the reviewers of this paper for their insightful feedback and suggestions. Lastly, this research was supported by Tohoku University and JSPS KAKENHI, which funded the open access for the publication of this research.

Funding The open access for this research was funded by Tohoku University and JSPS KAKENHI Grant Number JP21K01694.

Declarations

Conflict of interest All authors certify that they have no affiliations with or involvement in any organization or entity with any financial interest or nonfinancial interest in the subject matter or materials discussed in this study.

Informed Consent Informed consent was obtained from all individual participants involved in the study.

Open Access This article is licensed under a Creative Commons Attribution 4.0 International License, which permits use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons licence, and indicate if changes were made. The images or other third party material in this article are included in the article's Creative Commons licence, unless indicated otherwise in a credit line to the material. If material is not included in the article's Creative Commons licence and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder. To view a copy of this licence, visit <http://creativecommons.org/licenses/by/4.0/>.

References

- Abdallah, C., Lusiani, M., & Langley, A. (2019). Performing process research (Vol. 11, pp. 91–113).
- Alkhalidi, M., Meghari, H., Jillson, I., Alkaiyat, A., & Tanner, M. (2021). State of research quality and knowledge transfer and translation and capacity strengthening strategies for sound health policy decision-making in palestine. *International Journal of Public Health*, 66.
- Arda, L., & Banerjee, S. B. (2021). Governance in areas of limited statehood: The NGOization of Palestine. *Business & Society*, 60(7), 1675–1707.
- Arslan, A., Kamara, S., Golgeci, I., & Tarba, S. (2021). Civil society organisations' management dynamics and social value creation in the post-conflict volatile contexts pre and during covid-19. *International Journal of Organizational Analysis*, ahead-of-print .
- Atia, M., & Herrold, C. (2018). Governing through patronage: The rise of NGOs and the fall of civil society in Palestine and Morocco. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 29, 1044–1054.
- Awashreh, R. (2019). Internal governance, management, and democratic participation: A case study of the west bank organizations. 5, 1–25.
- Battilana, J., & Dorado, S. (2010). Building sustainable hybrid organizations: The case of commercial microfinance organizations. *The Academy of Management Journal*, 53(6), 1419–1440.
- Bishara, A. (1996). Mossahama Fi Nakd Al Mujtam'a Al Madani [A contribution to the critique of civil society]. Ramallah, West Bank: Muwatin–The Palestinian Institute for the Study of Democracy. (published in Arabic).
- Bluhm, D. J., Harman, W., Lee, T. W., & Mitchell, T. R. (2011). Qualitative research in management: A decade of progress. *Journal of Management Studies*, 48(8), 1866–1891.
- Borzaga, C., & Bodini, R. (2012). What to make of social innovation? Towards a framework for policy development. *Social Policy and Society*, 13.
- Boyer, E. L. (1996). The scholarship of engagement. *Bulletin of the American Academy of Arts and Sciences*, 49(7), 18–33.
- Braun, V., & Clarke, V. (2021). *Thematic analysis: A practical guide*. SAGE Publications.
- Chahim, D., & Prakash, A. (2014). Ngoization, foreign funding, and the Nicaraguan civil society. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 25(2), 487–513.
- Challand, B. (2008). *Palestinian civil society: Foreign donors and the power to promote and exclude*. Taylor & Francis.
- Costantini, G., Atamneh, J., Ayesh, K., & Al Hussein, F. (2011). *Mapping study of civil society organisations in the occupied Palestinian territory* (Report). European Union.
- Coule, T. M., Dodge, J., & Eikenberry, A. M. (2022). Toward a typology of critical nonprofit studies: A literature review. *Nonprofit and Voluntary Sector Quarterly*, 51(3), 478–506.
- Creswell, J., & Clark, V. (2007). *Designing and conducting mixed methods research*. SAGE Publications.
- Cruz, L. B., Delgado, N. A., Leca, B., & Gond, J.-P. (2016). Institutional resilience in extreme operating environments: The role of institutional work. *Business & Society*, 55 (7), 970–1016. Retrieved from <https://doi.org/10.1177/0007650314567438>
- De Voir, J., & Tartir, A. (2009). *Tracking external donor funding to Palestinian non governmental organizations in the West Bank and Gaza strip 1999–2008 (Report)*. MAS
- De Waard, E., & Kalkman, J. (2022). Synthesizing extreme contexts studies in project management journals: Introducing a timebased project management typology. *International Journal of Managing Projects in Business*, 15 .
- DiMaggio, P. J., & Powell, W. W. (1983). The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review*, 48(2), 147–160.
- Edwards, M., Hulme, D., & the Children Fund, S. (1995). *Performance and accountability beyond the magic bullet*. Earthscan: Non-Governmental Organisations.
- Gordon, N. (2008). *Israel's occupation* (1st ed.). University of California Press.
- Haddad, T. (2016). *Palestine ltd: Neoliberalism and nationalism in the occupied territory*. I.B. Tauris.
- Hallett, T., & Ventresca, M. J. (2006). Inhabited institutions: Social interactions and organizational forms in Gouldner's patterns of industrial bureaucracy. *Theory and Society*, 35(2), 213–236.
- Hallgren, M., Rouleau, L., & Rond, M. (2017). A matter of life or death: How extreme context research matters for management and organization studies. *The Academy of Management Annals*. <https://doi.org/10.5465/annals.2016.0017>.
- Hammami, R. (2000). Palestinian NGOs since Oslo: From NGO politics to social movements? *Middle East Report*, 214, 16–48.
- Howell, J., & Pearce, J. (2001). *Civil society & development: A critical exploration*. Lynne Rienner.
- Jad, I. (2003). The 'NGOization' of the Arab women's movements. *Al-Raida Journal*. <https://doi.org/10.32380/alrj.v0i0.442>
- Jamshed, S. (2014). Qualitative research method-interviewing and observation. *Journal of Basic and Clinical Pharmacy*, 5, 87–8.
- Jarzabkowski, P., Smets, M., Bednarek, R., Burke, G., & Spee, P. (2013). Institutional ambidexterity: Leveraging institutional complexity in practice (Vol. 39, pp. 349–373).

- Kamali, M. (2001). Civil society and Islam: A sociological perspective. *European Journal of Sociology/Archives Européennes de Sociologie / Europäisches Archiv für Soziologie*, 42(3), 457–482.
- Kassis, M. (2001). Civil society organizations and transition to democracy in Palestine. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 12(1), 35–48.
- Maguire, S., Hardy, C., & Lawrence, T. B. (2004). Institutional entrepreneurship in emerging fields: HIV/AIDS treatment advocacy in Canada. *Academy of Management Journal*, 47, 657–679.
- Mair, J., & Marti, I. (2009). Entrepreneurship in and around institutional voids: A case study from Bangladesh. *Journal of Business Venturing*, 24(5), 419–435. Special Issue Ethics and Entrepreneurship.
- Merton, R., Fiske, M., Lowenthal, M., & Kendall, P. (1990). *The focused interview: A manual of problems and procedures*. Free Press.
- Meyer, J. W., & Rowan, B. (1977). Institutionalized organizations: Formal structure as myth and ceremony. *American Journal of Sociology*, 83(2), 340–363.
- Meyer, M., & Simsa, R. (2018). Organizing the unexpected: How civil society organizations dealt with the refugee crisis. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 29(6), 1159–1175.
- Morarr, R., & Baba, S. (2022). Social innovation in extreme institutional contexts: The case of Palestine. *Management Decision*, 60(5), 1387–1412.
- Morarr, R., & Sultan, S. (2020). The donor-driven model and financial sustainability: A case study from Palestinian non-government organizations. *Cosmopolitan Civil Societies: An Interdisciplinary Journal*, 12, 20–35.
- Morse, J. M. (1991). Evaluating qualitative research. *Qualitative Health Research*, 1(3), 283–286.
- Nabyonga Orem, J., Ousman, K., Estrelli, Y., Rene, A., Yakouba, Z., Gebrikidane, M., Mamoud, D., & Kwamie, A. (2016). Perspectives on health policy dialogue: Definition, perceived importance and coordination. *BMC Health Services Research*, 16, 273–286.
- OHCHR. (2022). *Israel/palestine: Un experts call on governments to resume funding for six Palestinian CSOs designated by Israel as 'terrorist organisations'*. <https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=27271&LangID=E>. Accessed 6 March 2023
- Patton, M., & Fund, R. E. C. M. (2002). *Qualitative research & evaluation methods*. SAGE Publications.
- Phills, J., Deiglmeier, K., & Miller, D. (2008). Rediscovering social innovation. *Stanford Social Innovation Review*, 6, 34–43.
- Reis, T., Clohesy, S., & Foundation, W. K. (1999). *Unleashing new resources and entrepreneurship for the common good: A scan, synthesis, and scenario for action*. W.K. Kellogg Foundations.
- Scott, W. (2013). *Institutions and organizations: Ideas, interests, and identities*. SAGE Publications.
- Sekaran, U., & Bougie, R. (2016). *Research methods for business: A skill building approach*. Wiley.
- Salamon, L. M., & Anheier, H. K. (1996). *The international classification of nonprofit organizations: Icnpo-revision 1, 1996*. Johns Hopkins University Institute for Policy Studies Baltimore.
- Srinivas, N. (2022). *Against NGOs?: Common sense in civil society, management and development*. Cambridge University Press.
- Steen-Johnsen, K., Eynaud, P., & Wijkström, F. (2011). On civil society governance: An emergent research field. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 22(4), 555–565.
- Suarez, D., & Gugerty, M. K. (2016). Funding civil society? Bilateral government support for development NGOs. *International Journal of Voluntary and Nonprofit Organizations*, 27, 2617–2640.
- Turner, M. (2014). The political economy of western aid in the occupied Palestinian territory since 1993. In M. Turner & O. Shweiki (Eds.), *Decolonizing Palestinian political economy: De-development and beyond* (pp. 32–52). Palgrave Macmillan UK.
- Uriarte, F. (2008). *Introduction to knowledge management: A brief introduction to the basic elements of knowledge management for non-practitioners interested in understanding the subject*. ASEAN Foundation.
- Waerder, R., Thimmel, S., Englert, B., & Helmig, B. (2022). The role of nonprofit-private collaboration for nonprofits' organizational resilience. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 33(4), 672–684.
- Whittington, R. (2006). Completing the practice turn in strategy research. *Organization Studies*, 27(5), 613–634.
- Yin, R. (2003). *Case study research: Design and methods*. SAGE Publications.
- Zack, M. H., Bontis, N., & Choo, C. W. (2002). *Developing a knowledge strategy: Epilogue. The strategic management of intellectual capital and organizational knowledge: A collection of readings*. Oxford University Press.

Publisher's Note Springer Nature remains neutral with regard to jurisdictional claims in published maps and institutional affiliations.