

# 6

## Conclusion

### 6.1 Summary of findings

This book seeks to contribute to the debate and practice of partnerships by clarifying what accountability means, why partnerships should have more of it and what that entails in practice. It provides a detailed and theoretically well-founded account of why partnerships ought to have appropriate accountability arrangements and defines concrete accountability standards for different types of partnerships on that basis.

The study reaches its conclusions in four argumentative steps.<sup>1</sup> It begins by clarifying the concepts of 'partnership' and 'accountability'. The term partnership has many different uses. In the context of questions of governance, it can best be defined as a voluntary arrangement involving public, private and/or civil society organisations that is formalised, has common, non-hierarchical decision-making procedures and addresses a public policy issue. This definition has certain overlaps with the concepts of 'corporatism' and 'networks'. This study prefers to work with the term partnership, however, because it describes the empirical phenomenon under investigation more adequately and because it carries less theoretical baggage.

The core meaning of 'accountability' is deduced from the etymology of the term and from its theoretical foundations in principal-agent theory. Accountability can be understood as a mechanism designed to ensure that agents act in the best interest of their principals and do not abuse their authority. Based on this understanding, this book develops a model showing the general workings of accountability mechanisms.<sup>2</sup> The model suggests that different measures can contribute to a strengthening of accountability. Clarifying the agent's responsibilities and contributions to outcomes, improving the provision of information on the agent's behaviour, clarifying the principal's expectations and strengthening sanctions and incentives. A more concrete analysis of different accountability mechanisms reveals an accountability dilemma. Creating accountability can be costly and different kinds of accountability can contradict each other. Too much or the wrong

kind of accountability can therefore hamper organisational efficiency. From this, the study concludes that partnership accountability cannot simply be a case of 'the more, the better', but that partnerships need to choose carefully which accountability mechanisms are best suited to their situation.

Determining which accountability arrangements are necessary under what circumstances demands a clear understanding of the normative rationale underlying accountability. A second important step therefore is to analyse why we believe that organisations ought to be accountable. This study draws on well-established political, economic, legal and moral theories to argue that delegation creates the need for appropriate accountability arrangements. This argument intersects and overlaps in various ways with other justifications of accountability sketched earlier in Chapter 3. However, it provides a theoretical basis for accountability that at the same time creates a firmer normative basis and leads to more differentiated practical results.

The delegation of authority creates a duty for the agent to act in the best interest of the principal. Accountability mechanisms enable principals to monitor the behaviour of agents and to apply sanctions or incentives. In institutional settings, appropriate accountability mechanisms are necessary to ensure that agents fulfil their duties. Therefore, delegation creates an obligation to institute appropriate accountability arrangements, irrespective of whether it is explicit or implicit, ex-ante, ex-post or hypothetical. What kind of authority is delegated, in turn, determines which type of accountability is appropriate. The delegated or (in the case of ex-post or hypothetical delegation) assumed authority reflects itself in the function exercised by the organisation in question. Therefore, this study concludes that it is organisational function that defines which accountability arrangements are appropriate.

If organisational function determines accountability requirements, then a third important step is to establish which functions partnerships exercise. This study distinguishes between four relevant partnership functions: advocacy and awareness raising, rule setting and regulation, policy implementation and information generation (including both partnerships for knowledge creation and compliance verification).

In a fourth and final step, concrete accountability principles and standards are defined for each type of partnership. These standards are summarised in Table 6.1.

Advocacy and awareness-raising partnerships only require the delegation of basic forms of authority, including a licence to operate, authority over operational resources and support from partner or member organisations. Correspondingly, they need to espouse only basic forms of accountability, namely accountability for complying with relevant rules and regulations, basic financial accountability and accountability for working towards the partnership's mission. All types of partnerships need the forms of authority listed above to be able to operate. Therefore, the accountability standards defined for advocacy and awareness-raising partnerships apply to all partnerships.

Table 6.1 Summary of accountability standards for partnerships

Partnership type	Accountability principles	Accountability standards
Advocacy and awareness raising partnerships	Compliance with rules and regulations	Choose a well-governed host organisation Adopt clear internal rules Create an effective oversight body with the ability to apply sanctions
	Financial accountability	Adopt a system of internal financial controls Adopt accounting policies generating reliable, relevant, comparable and understandable information Adopt reporting practices generating reliable, relevant, comparable and understandable information and complying with donor demands Conduct independent audits for large partnerships
	Accountability for working towards the partnership's mission	Define a clear mission Orient activities along the mission Employ resources efficiently in pursuit of the mission
Rule-setting and regulation partnerships	Democratic accountability through participation	Formal possibilities for participation alternative (a): include stakeholder representatives in decision-making bodies Formal possibilities for participation alternative (b): conduct stakeholder consultation processes Formal possibilities for participation supplement: establish permanent comments and complaints procedures Create transparency
	Democratic accountability to avoid the abuse of authority	Partnerships setting voluntary rules need no additional accountability Partnerships setting binding rules should achieve appropriate authorisation, define a clear mandate and create a process of judicial review

Table 6.1 Continued

Partnership type	Accountability principles	Accountability standards
Implementation partnerships	Outcome accountability through performance evaluation	Define clear objectives and performance targets Monitor performance and create incentives for performance improvement
	Outcome accountability through the introduction of market elements	Outsource suitable tasks through competitive bidding processes Collect beneficiary feedback to assess performance
Information-generating partnerships	Accountability for impartiality through independence	Ensure institutional independence foster personal independence of key staff
	Accountability for accuracy and quality through professionalism	Recruit experts with formal qualifications and good reputations Create possibilities for debating, disputing and verifying results

Rule setting and regulation partnerships in addition assume or are granted the authority to set norms and rules. Therefore, they should adhere to democratic standards of accountability. This involves creating formal possibilities for participation, generating a high degree of transparency and providing safeguards against the abuse of authority.

Implementation partnerships, in turn, have or seek authority over substantial resources. This triggers the need for creating accountability for outcomes. Outcome accountability can be strengthened, for example, through performance evaluations or through the introduction of market mechanisms.

Knowledge creation and compliance verification partnerships, finally, aspire to achieving ex-post authorisation by their user groups to generate information on their behalf. Similar to academia and the judiciary, they should therefore emphasise the trustworthiness of their information. Independence and professionalism should be the cornerstones of their accountability systems.

## 6.2 Lessons and applications

The preceding paragraphs have summarised the main results of this study in very brief terms. How, though, can we use those findings and what are their implications for the theory and practice of partnerships and accountability?

Firstly, the outcomes of this study have direct practical applications. Most obviously, the standards can be used to evaluate whether or not individual partnerships are sufficiently accountable. Practitioners can also use the accountability standards as guidelines for the institutional design of partnerships. By differentiating partnerships according to their function, the standards can help practitioners to identify priorities in designing accountability systems. They also indicate which practical measures can be taken to implement these priorities.

Secondly, this study contributes to the abstract debate on partnerships. The legitimacy of the partnership approach to governance is hotly debated. Can partnerships help the traditional nation state reassert its authority in an ever more complex world? Or do they, to the contrary, undermine democratic accountability standards that were hard fought for? The definition of different accountability requirements for different types of partnerships can render this discussion more differentiated. Moreover, the accountability standards defined in this study create the basis for systematic empirical research which could answer the question of whether or not partnerships are sufficiently accountable in practice.

Thirdly, the study adds to our conceptual and normative understanding of accountability since it proposes a generally applicable model of accountability. Most contributions to the theory of accountability to date are sector-specific, that is, they focus on accountability either in the context of the public sector, or the private sector or civil society. The reflections outlined here are more comprehensive because they deal with accountability at a more abstract level. At the same time, the argument proposed here not only accommodates but also proposes an explanation for the differences in accountability expectations and traditions between as well as within the various sectors of society.

Finally, this new understanding of accountability has important implications for the respective debates within the three sectors. The public sector, for example, currently faces a controversy over the new public management demand to create more accountability for outcomes. An application of the accountability concept generated here would suggest that this claim should neither be backed nor rejected in its entirety. Instead, it should be supported for all and only for those cases where public bodies operate as implementing agencies.

In the private sector, a current focus of discussion is on corporate social responsibility (CSR) and the related demand that companies should become more accountable in a democratic sense. The argument proposed here would reject this demand on normative grounds as long as companies do not get involved in setting rules for societies.

Relating to civil society organisations, finally, the results of this study would support those contributions suggesting different accountability arrangements depending on their functions. Rather than seeing this as

a matter of strategic choice on the part of the NGOs, however, it would conceptualise this as a normative requirement.<sup>3</sup>

As the boundaries between the three sectors blur progressively and many organisations assume new functions, it is critical to operate with a comprehensive, yet differentiated concept of accountability. While this book cannot explore all its implications in detail, it lays the conceptual and normative foundations for subsequent studies to do so.