EXAMINING THE FACTORS INFLUENCING DOWNWARD ACCOUNTABILITY IN THE NON-GOVERNMENTAL ORGANISATIONS' SECTOR IN MALAWI

MASTER PUBLIC ADMINISTRATION AND MANAGEMENT THESIS

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UNIVERSITY OF MALAWI

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MASTER OF PUBLIC ADMINISTRATION AND MANAGEMENT THESIS

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DECLARATION

I, the undersigned, declare that this thesis is my own work. Where the work of other people has been used, acknowledgements have been duly made. I also declare that it has not been submitted for any degree in any other university. All errors herein are my own

ELLEN SAUTSO DOSSI

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Full Legal Name

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Signature

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Date

CERTIFICATION OF APPROVAL

We certify that this thesis is the student's own work and acknowledgements have been made where the work of other people has been used. We further certify that it has not been submitted to any other university for any degree and is therefore submitted with our approval.

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ABSTRACT

The important roles that are played by Non-Governmental Organizations (NGOs) all over the world including Malawi are becoming increasingly recognised by various stakeholders. The increase in the role of the NGOs in Malawi has also increased the calls for accountability on the part of the NGOs especially to their beneficiaries. Studies done previously indicated that there is little effort on the part of the NGOs to focus on downward accountability to their beneficiaries. Consequently, the study examined the drivers of and challenges to downward accountability in the NGO sector in Malawi. The study used a mixed-method research design where a questionnaire and phone interviews were used to collect data. A total of 151 usable questionnaires were collected from NGO representatives in the survey. Ten key informants were interviewed for the qualitative component of the study. The quantitative data were analysed using the Statistical Package for the Social Sciences (SPSS) version 25. Multiple linear regression and SPSS PROCESS macro were used to examine the hypothesised relationship. The qualitative data were analysed thematically. The findings revealed that both donor influence and state regulation have positively influenced downward accountability with state regulation having a stronger effect than donor influence. This shows that the state has a significant role to play in influencing downward accountability among NGOs. However, there were no significant differences in terms of the impact of donor influence and state regulation on downward accountability between local and international NGOs. Furthermore, the study revealed five challenges that NGOs face in their quest for downward accountability, namely: limited resources and capacity for both beneficiaries and NGOs; lack of commitment by donors to facilitate downward accountability; lack of agency by community structures to demand accountability; and misconception and lack of trust by the communities in NGOs.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF ABBREVIATIONS AND ACRONYMS

ADC	Area Development Committee
CONGOMA	Council for Non-Governmental Organisations in Malawi
ECHO	European Community Humanitarian Aid Office
NGOs	Non-Governmental Organisations
NGORA	Non-Governmental Organisation Regulatory Authority in Malawi
SNGOs	Non-Governmental Organisations Global South
SPSS	Statistical Package for the Social Sciences

CHAPTER ONE

INTRODUCTION

1.1 Background to the study

This study examined factors that affect Non-Governmental Organisations (NGOs) downward accountability in Malawi. It achieves this by focusing on two variables, namely donor influence and state regulation and how these variables drive downward accountability among NGOs in Malawi.

The relevance and diversity of the multiple roles played by NGOs are becoming more recognised and more influential in developing countries like Malawi. These roles include: (1) promoting citizen participation; (2) ensuring the effective delivery of development programs and operations; and (3) the social empowerment of particular groups and the realization of human rights, social transformation, and democratic development (Banks & et.al. 2015, Kilby. 2023). With limited resources, it is challenging for NGOs to work on a larger national or international scale. They are required to deliver efficient and sustainable programmes that would fulfil their mission while demonstrating accountability to a range of NGOs' stakeholders, including donors, beneficiaries, governments, and others. Most experts in the field of NGO accountability agree that it has to do with being held responsible or having to prove responsibility for one's actions (Agyem & et al., 2009; Ebrahim 2005; van Tuijl, 2006; Unerman & O'Dwyer 2006). The role of NGOs in delivering development goals alongside the government and other institutions is becoming increasingly important (Banks & et.al., 2015).

With their capacity for social innovation, NGOs especially those performing development and humanitarian programmes have become important players to fill the gaps in declining governments' provision of services to society. In recent years, accountability has emerged as one of the key approaches in the search for new modes of democratic governance beyond the nation-state (Jordan, 2005). The concept of making aid more effective is critical for the international development sector. The Paris Declaration on Aid Effectiveness (2005) and Accra Agenda for Action (2008) highlighted the importance of the issues affecting the international development sector. The Declaration stipulated five commitments that country partners and donors agreed to, namely ownership, alignment, harmonization, managing for results, and mutual accountability (OECD, 2008). The call for accountability in the NGO sector is both a necessity and a duty because NGOs have grown and gained visibility in that most of the social services that traditionally were in the hands of the government are increasingly being delivered by the NGOs. In Malawi, for example, the NGO sector in the 2020/2021 fiscal year spent over 1 trillion which was half of the Malawi national budget (The Nation Newspaper, 2020). The concern is that NGOs have grown in size to rival the very same government and agencies with which they interact (Unerman & O'Dwyer, 2010).

Additionally, there are some cases of corruption, abuse of funds and bad practices in NGOs which have necessitated the call for accountability in the sector (Abouassi & Trent, 2016). The call for greater accountability on the part of NGOs is a result of the roles that NGOs have undertaken on behalf of the government, to account for what they do and how they do it. In this regard, accountability and transparency are crucial factors for NGO's legitimacy and sustainability. Furthermore, because NGOs are becoming established organizations within development policy and practice, critical questions are increasingly being asked about their accountability and performance (Abouassi & Trent, 2016). Issues of accountability for NGOs have often merged around concerns from donors regarding how resources are used (Ebrahim, 2005). This is the case as many NGOs are dependent on major bodies such as foreign governments and international bodies for their funding. The said resource dependency has had significant implications for the forms of accountability promoted and practised within the sector (Ebrahim, 2005; Awuku, 2020).

Mutarza (2011) and Rahman (2023) observed that the current accountability approaches adopted by NGOs prioritize accountability to donors, government and boards and give little or no regard to communities (downward accountability) despite strong NGO rhetoric to the contrary. Rahman (2023) also observed that NGOs generally depend on donor funds, which give the donors an edge. On the other hand, governments provide the legal and regulatory environment within which NGOs function, thus giving governments significant leverage. Beneficiaries have the weakest leverage over NGOs, compared to donors and governments. This study, therefore, seeks to examine downward accountability in the NGO sector in Malawi. It will explore two variables; state regulation and donor influence as the probable drivers of NGO accountability towards their beneficiaries. The study will also explore NGO scope of operations/ownership (local vs. international) as a moderating variable of the influence of donor influence and state regulation on downward accountability.

1.2 Problem Statement

In the recent past, NGO accountability has emerged as a major point of debate which ranges from strict state control to self-regulation (Jordan and Tujil, 2006). This interest can partly be attributed to the growing presence of NGOs in the development scene, often replacing the state's welfare activities, and partly to their dominant presence in the rights-based activities which come in direct conflict with many of the state policies (Biswas, 2009). The World Bank (2005) noted that as the influence of [NGOs] continues to grow, they are also attracting greater public scrutiny partly because the growth is unhealthy. For example, there are instances of "suitcase" NGOs and massive fund mismanagement (Crack, 2018). These issues have amplified the calls for NGOs' downward accountability. This is necessary because there are hardly any normative standards regarding NGOs' accountability towards their service beneficiaries and the significance of accountability to this group of stakeholders on the NGOs' governance (Kaunda, 2022).

Furthermore, in some cases, NGOs exaggerate their claim of legitimacy and accomplishments which is not based on an actual assessment of changing vulnerable people at the community level. They are fond of publicizing little accomplishments to attract funding from their donors (Abouassi & Trent, 2016). Since many local NGOs lack adequate financial assets, donor funding is what allows them to function and serve their constituencies. The focus is then on functional accountability for resource use and immediate results and less on strategic downward accountability related to the long-term impact and sustainability of initiatives (Kilby, 2006). These perceptions have attracted massive amounts of funding in this sector which are the focus of many NGOs. In response, scholars have encouraged NGOs, donors, and funders to try to move beyond a narrow functional accountability focus and to establish means of allowing NGOs the scope to embrace broader social accountability for their wider social impacts encompassing accountability for the impacts their actions have on other organizations, individuals, and the wider environment (Unerman & O'Dwyer, 2010). They suggest "replacing the functional accountability focus on isolated project activities with mechanisms of accountability actions that are essential for sustainable development'' (Edwards & Hulme 2002a, p. 195). Central to these calls for greater social accountability is an explicit focus on NGO impacts on their key beneficiary constituencies. Indeed, scholars have highlighted the need to promote the rights of beneficiaries to enhance the rights-based to development (Bawole & Langnel, 2016; O'Dwyer & Unerman, 2010). Though that is the case, downward accountability to beneficiaries remains problematic in practice, making the prospects of the practice so uncertain (Andrews, 2014).

From the academic front, there have been limited scholarly efforts to explore "how" and "why" NGOs account for their stakeholders (McConville & Cordery, 2022). Specifically, only limited research has examined how institutional environments influence NGOs' accountability to their beneficiaries (Awuah-Werekoh et al., 2023). Furthermore, most previous studies on downward accountability have used case studies or a small number of organisations (Chen et al., 2019), resulting in a less generalizable body of knowledge on the issue. Specifically, downward accountability remains an under-researched topic in the NGO accountability domain (McCollim, 2019; Rahman, 2023). Thus, there is limited knowledge of the key drivers of downward accountability among NGOs (Andrews, 2014; McCollim, 2019).

The literature on downward accountability has also narrowly focused on the utilitarian/economic power of stakeholders in explaining downward accountability, thereby ignoring the effect of power differences among different stakeholders in influencing NGOs' downward accountability (Chen et al., 2019). Furthermore, even though funding agencies and governments have made the consideration of beneficiary perspectives by NGOs a condition for continued support and funding, NGOs have resisted the conditions despite publicly supporting the same (O'Dwyer & Boomsma, 2015; O'Dwyer & Unerman, 2010). This demonstrates a need to investigate the constraints to downward accountability efforts among NGOs. Since the NGO sector receives its legitimacy and credibility based largely on public trust (Amagoh, 2015), its effectiveness and credibility highly depend on issues of accountability and transparency. However, NGOs face numerous challenges in this regard, including a lack of self-regulation and failure to ensure downward accountability, which constrains their success (Mooketsane et al., 2018). To address the identified knowledge gaps and possibly prescribe solutions to the challenges at hand, the current study draws on the existing literature to examine the influence of state regulation and donor influence on NGOs' downward accountability in the NGO sector in Malawi. The study further explores the challenges faced by NGOs in their quest for downward accountability.

1.3 Research objectives

The main objective of this study was to examine the drivers of NGO accountability in Malawi, focusing on two variables, namely donor influence and state regulation. The specific objectives of the study are as follows:

1. To examine the influence of donor influence on NGO accountability.
2. To assess the impact of state regulation on NGO accountability.
3. To explore the moderating role of NGO type (local vs. international) on the relationship between donor influence and NGO downward accountability.
4. To explore the moderating role of NGO type (local vs. international) on the relationship between state regulation and NGO downward accountability.

5. To investigate the challenges that NGOs face in their quest to address downward accountability.

1.4 Research questions

The study addressed the following questions

1. To what extent does donor influence drive NGO accountability to communities in Malawi?
2. To what extent does state regulation influence NGO accountability to the community in Malawi?
3. Does the type of NGO (local vs. international) moderate the relationship between donor influence and downward accountability?
4. Does the type of NGO (local vs. international) moderate the relationship between state regulation and downward accountability?
5. What are the challenges that NGOs face in their quest to address downward accountability?

To address the stated objectives, the study has drawn on the available literature to propose the following hypotheses, as detailed in the literature review;

H_1 Donor influence will positively influence NGO accountability

H_2 State regulation will positively influence NGO accountability

H_3: The type of NGO (local versus international) will moderate the impact of donor influence on NGO accountability.

H_4: The type of NGO (local versus international) will moderate the influence of state regulation on NGO accountability

1.5 Significance of the study

The results of the study offer several theoretical and practical contributions. Theoretically, the study has added to the literature on the factors that influence downward accountability among NGOs in Malawi. The study has established that state regulation and donor influence positively affect downward accountability among NGOs. Between the two, state regulation exerted a stronger effect on downward accountability than donor influence. This is a clear indication that the state has a critical role in ensuring that NGOs are accountable to their beneficiaries. Practically these findings will inform the Government of Malawi's policy in influencing downward accountability from NGOs to their beneficiaries.

Furthermore, the results revealed five challenges that NGOs face in their quest for downward accountability namely, resource constraints, low levels of literacy, lack of agency on the part of beneficiaries, lack of policy direction and misconceptions/lack of trust. Among the five challenges, only the first three have been widely discussed in the literature. In this case, the study has contributed to the literature on two emerging challenges faced by NGOs in their downward accountability efforts. Practically these findings will help the government, NGOs, donors and beneficiaries on how they can enhance downward accountability mechanisms.

1.6 Chapter Summary

The chapter first presented the background to the study, briefly discussing the rationale for the study and the current state of the literature on the topic. The chapter has also presented the problem statement, discussing the knowledge gap(s) in the literature regarding the drivers of and challenges to downward accountability among NGOs. Drawing on the problem statement, the chapter also presented the study's main aim, objectives, and research questions. The chapter ended with a discussion of the theoretical and practical significance of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The current chapter reviews the literature on the main concepts of the study. It begins with a review of the concept of NGO accountability to communities. Thereafter, the two independent variables (donor influence and state regulation) are reviewed. The reviews of the two independent variables are accompanied by the literature justifying the proposed relationships (hypotheses) between donor influence and state regulation on the one hand and NGO accountability to communities on the other hand.

2.2 NGO accountability to communities

Many NGOs have attained prominence through their quest to improve the living standards of disadvantaged people and have traditionally been considered more efficient and transparent than corporations and governments (O'Dwyer & Boomsma, 2015). However, in recent years NGOs have faced intense scrutiny regarding their use of resources and transparency in their dealings with stakeholders. As a result, there are growing calls for NGO accountability from host governments, academia, donors, NGOs themselves, the citizenry and corporations (Kaba, 2021). Principally, stakeholders are interested in accountability since it holds the promise of reducing corruption and abuse of power among various stakeholders in the NGO sector (Kaba, 2021; Winters, 2014). Consequently, an expanding stream of research has emerged following NGOs' attempts to be accountable to their beneficiaries (Awio, et al., 2011; Hall & O'Dwyer, 2017; Murtaza, 2012; O'Dwyer & Boomsma, 2015).

In its basic form, accountability refers to a process by which individuals or organisations are answerable for their actions and the consequences that follow them (Kovach, 2012). Specifically, NGO accountability has widely been conceptualised as "being held responsible or having to prove responsibility for one's actions" (van Zyl & Claeye, 2018). Similarly, Slim (2002) defined NGO accountability as the process through which an NGO holds itself responsible for its beliefs and actions in a way that shows it involves all concerned stakeholders and actively responds to lessons drawn from the process. The definitions have emphasised responsibility for one's actions and recognition of stakeholders in the accountability process. However, it should be noted that, traditionally, NGOs were accountable to a small set of stakeholders who had formal power over the organisations. However, the traditional approach has been challenged in recent times due to the emergence of complex and multiple accountability frameworks (Kovach, 2012). Much as this could be considered a positive development, it has also come with its own limitations. One of the limitations is the notion that due to the multiple approaches used to understand or explain NGO accountability, the concept has become a "multifaceted concept fraught with ambiguity" (Salamon, 2002, p. 524).

Consequently, there are overlaps, duplications and conflicts in the way NGO accountability is described and applied (Kaba, 2021). Still, scholars agree on several issues regarding NGO accountability. First, it is apparent that NGO accountability signifies a relational interaction. Second, NGOs have to concurrently manage multiple and oftentimes competing accountability demands (Bryant, 2007; Yang & Dubnick, 2016). Oftentimes it is challenging to satisfy the competing demands and NGOs end up prioritising (Kaba, 2021). The third point of agreement is that stakeholders can use their power to influence NGOs on who to prioritise in their accountability efforts (Assad & Goddard, 2010; Ebrahim, 2005). Fourth, meeting donor requirements seems to be the main focus of most NGOs' accountability mechanisms (Ebrahim, 2005; Kaba, 2021). Consequently, downward accountability is not highly considered in the majority of NGOs. It is not surprising to note, therefore, that the majority of studies on NGO accountability have focused on accountability to donors. Lastly and in the extension of the fourth point of agreement, the dominance of accountability to donors undermines NGO goals such as responsiveness to beneficiary needs (Brass, 2016; Chahim & Prakash, 2014). It is based on the stated five points of agreement that the present study seeks to investigate donor influence and state regulation as predictors of downward accountability. Understanding which stakeholder has a greater influence in driving NGO accountability will help in devising mechanisms to strengthen accountability practices, particularly those focused on beneficiaries.

There are different perspectives to understanding the accountability of NGOs: accountability to those that provide them with finance and legal status (donors, governments) (upward accountability); accountability to their constituencies and beneficiaries (downward accountability), accountability to their mission, values/ethics, and staff (internal accountability; and accountability to fellow NGOs. According to Ebrahim (2003a), upward accountability is a short-term accountability orientation from NGOs to the funder organizations for resources, resource use and immediate impacts. It uses evaluation and monitoring mechanisms such as "logical framework analysis" to demonstrate "accountability" for spending funds for the designated purpose. However, this approach has been criticized since it primarily focuses on accountability to donors, thereby affording little attention to accountability to groups to whom NGOs directly provide services or on whose behalf they advocate (Ebrahim, 2005). Thus, according to Rahman, (2023), NGOs face more direct incentives to manage donor satisfaction than beneficiary welfare. On the other hand, downward accountability focuses on stakeholders without power who are reliant on the NGO, e.g., beneficiaries (Agyemang, et al., 2009). In practice, downward accountability to community stakeholders other than donors seems quite weak as most NGOs claim that their values and mission are their primary points of accountability (Abouassi & Trent, 2016). NGOs rely on donors for financial resources, and donors need to protect their interests (Irvin, 2005), compelling NGOs to focus on upward accountability to donors. This makes it more likely that donors will compel NGOs to practice more upward accountability than downward accountability. According to van Zyl and Claeyé, (2019), one way in which NGOs can develop sustainable programmes is by engaging beneficiaries from the planning stage onwards.

Beneficiaries should be central to the effective need assessments and for the justification of service design and delivery (Hall & O'Dwyer, 2017). Taking an active part in NGO programmes helps beneficiaries develop a greater attachment to the NGOs and cooperate effectively for their success (Awio, et al., 2011). In this way, NGOs can ensure that beneficiaries become self-reliant and manage programmes independently by the end of their period of assistance.

Accountability is an important concept in public administration and across multiple sectors. NGOs work towards achieving their social purpose and yet, they are perceived to be accountable only to their donors but not to citizens (Mohammed, 2021). Kaunda (2022) highlighted the principle aspect of the term accountability with the view that accountability is a demand for answerability, conscientiousness, reliability, democracy, responsibility, participation, legitimacy, and transparency from NGOs about the usage of funds, management, and governance by stakeholders. This corroborates the view of Jordan (2007) that accountability is an obligation to report on one's (NGOs') activities to a set of legitimate authorities. Accountability should be transparent and be seen as a core value of the NGO, and thus, a responsibility to stakeholders. The information that is provided to stakeholders, including the staff, should also be vital, detailed, adequate and accurate.

The information should also be free-flowing and two-way but without compulsion from either those who provide or those who receive it. In general, the principles can be described as doing things right and letting others know about it (Du Nwoye et al., 2017). Studies have mostly focused on upward accountability resulting in a gap observed in downward accountability with a dearth of literature on understanding the phenomenon from beneficiaries' perspectives. Previous studies of NGO accountability frameworks have criticized NGOs for their failure to adopt beneficiary-centred accountability systems (downward accountability). Goddard (2021) noted that NGOs rarely established governance mechanisms through which their beneficiaries and supporters can hold them accountable for their activities. This is in stark contrast with other major actors in society, notably governments, corporations, and unions that maintain long-established albeit imperfect instruments of governance and responsibilities (Hall & O'Dwyer, 2017). There is also not much literature on the analysis of factors that influence accountability in Malawi i.e., donor influence and state regulation. The current study seeks to contribute to the NGO accountability literature, especially that relating to Malawi as a developing country.

2.3 Drivers of downward accountability among NGOs

Little attention has been paid to the drivers of downward accountability. This is despite the notion that such knowledge will help funders, policymakers, and the NGOs themselves in how best to entrench and promote a culture of accountability among NGOs. From the funders' perspective, the accountability relationship between funding organisations and NGOs is supply-led in that funders prescribe programme objectives and fund the NGOs as implementation partners, usually through local NGOs in developing countries (Agyemang et al., 2009). The funders require the implementing NGOs to account for the funds received. There have been complaints by NGOs that such accountability is usually narrow in that it limits the NGOs from engaging in complex and beneficiary-focused forms of accountability. On the government influence front, accountability is usually driven by laws focusing on reporting requirements (Antlov et al., 2012; O'Dwyer & Boomsma, 2015). In this regard, government approval determines the way NGOs discharge their accountability responsibilities (Kuruppu & Lodhia, 2019).

Scholars have also examined other drivers of downward accountability such as management processes (Jacobs & Wilford, 2010), performance management systems (Ferreira et al., 2017), governance, and organisational processes and managerial capacity (Odundo, 2014). Despite the numerous drivers explored, it has been argued that dictates by donors and government agencies take precedence in the accountability processes of NGOs (Agyemang et al., 2017; Unerman & O'Dwyer, 2010). It should also be noted that most of the cited studies on the drivers of downward accountability were either conceptual, used a case of a single NGO, or used secondary data, making their findings less generalisable. The present study attempted to address the noted shortfalls by using a larger sample of NGOs from various sectors to examine the impact of donor influence and state regulation on NGOs' downward accountability.

2.4 Donor influence and NGOs' downward accountability

Although there is widespread concern about a loss of independence due to the strong influence of donors in the sector, there appears to be much stronger resistance against government regulation than there is against donor monitoring (Said & Nasir 2013). A major method identified is the use of different kinds of reports. These include monthly, quarterly, and annual reports. Other requirements include progress and financial reports, project and program reports and evaluation reports. Furthermore, in submitting reports to stakeholders, NGOs ensure that all their reporting requirements are met and that the reports are sent on time.

In the past two decades, the development field has been experiencing an increase in donor-driven standardization of planning, reporting and accountability practices (Wallace et.al., 2006). Largely funded by donor agencies in the Global North, non-governmental organizations (NGOs) in countries of the Global South (SNGOs) carry out community-based work to alleviate poverty, provide social services, develop civil society and democratic processes, and advocate for the poor and marginalized. However, these procedures, which are presumably designed to increase accountability and transparency, and secure against the misappropriation of funds, in many cases have shifted NGOs' focus away from their most meaningful work (Wallace et al., 2006). Even though the reporting requirements are varied per donor, most donors require one or two reports per year from their NGO partners, regardless of the size of the project or program. Specifically, some donors are very strict with their reporting requirements (Ortega et. al., 2020). For instance, US donor agencies require quarterly updates. Similarly, the European Community Humanitarian Aid Office (ECHO) requires its members to complete a single form that provides comprehensive documentation on standard indicators (Van Zyl & Claeyé, 2019). While reporting requirements are more stringent and detailed for some donors, their narrative reporting templates are broadly similar.

Abouassi and Trent (2015) claims that donor monitoring may distort the activities and aims of NGOs, resulting in the NGOs becoming narrowly focused on satisfying donor requirements instead of looking after the needs of the beneficiary community. By pursuing funding from donors, NGOs make themselves accountable to donors for all three phases of accountability at the functional level (for particular projects and activities). First, they have to make sure that the goals for the project are in line with donor funding priorities. Second, based on contractual obligations, the donors also have the legal right to measure performance at the end of the project. Finally, at the sanctioning phase, the donor has the authority not only to refuse future funding if it is not satisfied with the performance but also to ask for the money back on the current project if the money has not been used according to the terms and conditions of the contract (Murtaza, 2012). The main incentive for donors in funding projects in developing countries is enhancing positive donor visibility. Thus, the donor's main focus in accountability is on avoiding major problems in projects funded by it rather than encouraging excellence in services to communities (ACCA, 2009).

According to Seo (2016), the most common processes for setting standards and measuring performance for projects and activities at the functional level are NGO-managed needs assessments, project evaluations and audits. However, the quality of these assessments and evaluations vary significantly, especially the latter since there is a strong bias for reporting positive results among all stakeholders even when the evaluations are done by NGO-recruited external stakeholders. NGO staff members prefer positive evaluations to impress internal and external stakeholders, communities are reluctant to make overly critical remarks and risk losing NGO project support and external evaluators have an interest in maintaining good relationships so that they get work in future (Awuah et al., 2023). Thus, based on the foregoing, it may be perceived that donor influence does not have a direct effect on NGOs' accountability to their beneficiary communities. Andrews (2014), using in-depth interviews of NGO representatives and key document analysis on a sample of 77 NGOs in Mexico, qualitatively examined the conditions that foster downward accountability. The study concluded that donors' reporting requirements reduced Mexican NGOs' responsiveness to their beneficiaries.

However, there is also a stream of emerging literature that supposes the case to be to the contrary. For instance, in a study of NGOs in Bangladesh, Uddin and Belal (2019) found that donors hold influential powers over NGOs and such powers can be leveraged to facilitate downward accountability. The study was based on a fieldwork case study design using semi-structured interviews, observations and focus group discussions. As a case study, the research focused on a single large NGO. The results showed that powerful NGO stakeholders like donors have applied various influencing strategies in holding NGOs accountable to their beneficiaries. Similarly, Kuruppu and Lodhia (2019) conducted an in-depth single case study of a large NGO in Sri Lanka to establish the forces shaping the NGO's accountability efforts. The study found that through their command of economic resources, donors dictate the terms and mechanisms of NGOs' accountability efforts. Using narrative data from a sample of three Lebanese NGOs working in the environmental field, Abouassi and Trent (2015) found that "donors can play a positive role in remedying low accountability, as they are now imposing certain requirements on NGOs, such as in grant applications and reporting" (p. 15). The foregoing demonstrates that the studies which have examined the influence of donor influence on NGOs' downward accountability are mostly qualitative and focused on a limited number of NGOs, usually in a single field of operation. Thus, to empirically investigate this relationship in a wider NGO context, the following hypothesis is proposed:

H_1: Donor influence will positively influence NGO accountability.

2.5 The impact of state regulation on downward accountability

Bloodgood et al (2014) argue that NGOs should be seen as products of a political scheme in which the state dictates the rules that guide NGOs' emergence and operations. Bloodgood et al (2014) further summarise state regulation of NGOs as comprising (i) barriers to entry, (ii) limitations on NGOs' political activities, and (iii) limitations on NGOs' economic resources. In the same vein, Dupuy et al (2015) state that states employ various regulatory measures such as monitoring, coordination, cooptation, and dissolution to exert oversight over the NGO sector. Palmer (2006) expresses that state regulation of non-state actors can take two broad forms: (i) command and control approach, also known as the ‘stick’ which aims at controlling entry of NGOs into the NGO ‘market’ (e.g. registration) and (ii) facilitation, also known as the ‘carrot’, where incentives are offered to encourage compliance to set standards. In a related context to the study at hand, Olarinmoye (2014) claims that state regulation is an efficient way to hold faith-based organizations accountable in Nigeria. However, as far as the author is concerned, not many researchers have empirically examined the impact of state regulation on NGOs’ accountability to the communities that they serve or work with.

Scholars have called for the use of different accountability mechanisms (including regulations) to hold NGOs accountable for the social, environmental, and economic outcomes arising from their actions (Unerman & O’Dwyer, 2006). These actions may include organizational policies, practices, and activities of their leaders and staff (Gray, 2002 as cited in Unerman & O'Dwyer, 2006). Despite vocal opposition to government regulation of the NGO sector, many African countries have in recent years introduced legislation granting government organizations more power to monitor and discipline NGOs. The opposition to state regulation is partly due to the opportunistic way that many governments have misused the term ‘‘regulation’’ to legitimize self-interested interference in the NGO sector (Burger, 2012).

The impetus for such a re-examination and reconsideration of oversight and regulation options is partly due to calls for increased accountability and a greater emphasis on effectiveness in the NGO sector. The Paris Declaration on Aid Effectiveness in 2005 and the Accra Agenda for Action in 2008 have urged development agents to become more transparent, accountable, and effective to achieve lasting development results. Regulation and oversight can help to create the necessary structures for improving accountability to stakeholders. Accountability in NGOs in most countries is practised through self-regulatory regulations, internal rules, and procedures, which therefore need to be carefully evaluated in terms of effectiveness, risk management, and corruption. The debate on NGO regulation is characterized by fierce disagreement between the advocates of self-regulation and those who support government regulation. Advocates for the self-regulation of the NGO sector frequently present it as a case against government intervention and specifically the potential threat of a loss of independence associated with such intervention (Jordan & Van Tuijl, 2006).

In most developed countries, especially the United States, and countries in Europe, NGOs are required to file financial reports annually with regulatory bodies and the reports are accessed by the public. In addition to this, NGOs must register with the state in which it is resident and is required to publish an annual report (Odundo, 2014). Charitable organizations throughout Europe, Japan, and Australia are also required to register with their governments. In Malawi, the NGO Act provides that an organization shall not operate in Malawi as an NGO unless the organization is registered under the Act (NGO Amendment Act, 2022).

State regulation of NGOs in Malawi is an interesting area for exploring accountability because recently there has been an amendment to the NGOs Act to regulate NGO activities, resulting in a heated debate between the Government of Malawi and the NGO sector. Amid strong protest and opposition from the NGO sector, parliament passed the new NGO Amendment in 2022 which was later assented to by the President of the Republic of Malawi. The new law provides for tighter regulation of the NGO sector where among other things it seeks to advocate for compulsory regulation of NGOs. The Government of Malawi claims that the law was necessitated by concerns about NGO misconduct and misappropriation of funds. It would be interesting to examine how this will influence downward accountability to communities in Malawi by NGOs.

According to Burger (2012), the rationale for NGO regulation could be based on the sector's reputation as a public good or the sector-wide negative externalities created via cases of corruption and lack of accountability. Traditionally, such regulation was the responsibility of the government and guided by legislation, but the understanding of regulation has since broadened to encompass more informal mechanisms of regulation and a wider spectrum of regulators to influence downward accountability to communities. State regulation would aim to align NGOs' interests with those of their beneficiaries and society.

In this regard, NGOs are subject to government scrutiny to ensure that they use resources in a transparent manner for the benefit of the communities that they serve (Shava, 2019). According to McGann and Johnstone (2006), this is usually accomplished by offering rewards or punishments for NGOs that appear to be serving communities well. However, these rewards and punishments need not be monetary, and they need not be explicit. Gathering and publishing data on NGO performance indicators may play an important role in itself by raising awareness of the prevalence of particular types of behaviour, focusing attention on such behaviour and linking these metrics to an NGO's reputation.

However, there seems to be limited literature illuminating the conditions and circumstances under which state regulation would influence NGO accountability (Burger, 2012). In a study of financial improprieties among NGOs in the United States of America, Gibelman and Gelman (2001), who analysed incidents of wrongdoing among NGOs reported in newspapers and special non-profit newsletters, proposed government oversight as one of the strategic options for addressing accountability challenges in NGOs. Indeed, Amuhaya (2020), through a doctrinal approach in which she analysed the legal and regulatory frameworks guiding NGO accountability in Kenya, established that inadequacies in the law in guiding NGOs' downward accountability cause accountability gaps. Similarly, Amagoh (2015), in a conceptual study examining the issues of trust and credibility among NGOs, identified government oversight as one of the most potent tools for enhancing NGO accountability. On the other hand, some scholars have faulted or found no influence of state regulation on NGO accountability. For instance, Abouassi and Trent (2015) observed that NGOs were less enthusiastic in supporting upward accountability of NGOs towards the government since the government "is not accountable itself" (p. 21). Irvin (2005) used secondary data about charities and interviewed state attorneys in the United States of America to assess the impact of state regulation on the accountability outcomes of NGOs. The study found no obvious accountability challenges among non-profit organisations in states with no registration and annual reporting requirements. It can be observed from the reviewed literature that most studies on state regulation and NGO accountability either used secondary data, examined regulatory frameworks or collected data from regulators.

This creates an empirical gap in the form of a relationship that exists between state regulation and NGO accountability towards their beneficiaries. Thus, to empirically bring clarity to the relationship, the following hypothesis is proposed:

H_2: State regulation will positively influence NGO accountability.

2.6 Accountability in Local NGOs vs. International NGOs

Further to the existence of limited research on the impact of state regulation and donor influence on NGOs' downward accountability in general, little research also exists on the influence of the same variables on NGO accountability within specific NGO settings. This section therefore will distinguish downward accountability between local and international NGOs. A locally owned NGO is defined as an organization that is managed by locals, i.e. people from the population or community the organization serves and focuses on alleviating developmental challenges faced by the community. International NGOs are NGOs whose main managers are non-locals or who receive international funds and have non-local board members and decision-makers. Van Zyl et al. (2019) suggest that international NGOs claim to focus significantly more on upward accountability mechanisms and that local NGOs claim to focus significantly more on downward and internal accountability. Similarly, Jordan and van Tuijl (2006) indicate that international NGOs tend to show more rigid and centralized bureaucratic systems that are designed to meet the upward accountability demands of donors than their beneficiaries and may thus lose contact with their target group. Mir and Bala (2015) add that NGOs which depend on foreign funding spend more time and resources on upward accountabilities compared to NGOs which are funded from their own sources.

Unerman and O'Dwyer (2007) suggest that small local NGOs have a good chance of direct, day-to-day contact with the beneficiaries of their services, a situation which contributes to stronger downward accountability mechanisms. Furthermore, the close contact between a small local NGO and its key stakeholders necessitates less formal accountability mechanisms than are required with international NGOs where there is a greater distance between those running the organization and their main beneficiaries.

However, as Schmitz et.al. (2012) indicate, there exists a gap between the rhetorical commitment to downward accountability and a persistent emphasis on upward accountability. Furthermore, this gap seems to be more pronounced among smaller organizations, whereas larger NGOs are more likely to adopt innovative accountability practices such as interactive web-based technology to improve disclosure practices to achieve downward accountability and include the final beneficiaries. Based on evidence from indigenous NGOs in Lebanon, AbouAssi and Trent (2014) contend that the stronger the downward accountability practices in place, the more effective the NGO is to use connections with local communities. Also, evidence suggests that the more an NGO secures funding without altering its activities, the more likely the organization is to uphold community interests and, consequently, reinforce its downward accountability. As local NGOs are seen to be closer to the final beneficiaries, this would suggest they would be more attentive to downward accountability. Conversely, with international NGOs, there seems to be a gap between those running the NGO and its key stakeholders and issues often arise regarding downward accountability.

Furthermore, results from studies on the topic are inconclusive as to whether international NGOs and their local counterparts will respond differently to state regulation insofar as their willingness to be accountable to their beneficiaries is concerned. Noakes and Teets (2020) observed that due to intense state regulation, international NGOs resort to focusing more on policymakers than they do on citizens in their work. On the other hand, local NGOs' accountability efforts may easily be influenced by state regulation because of their small size and the fact that they are primarily registered locally, hence easy to control (Dupuy et al., 2015). By extension, it is expected that the influence of state regulation regarding accountability on international NGOs will be lessened as they are likely governed by well-established accountability frameworks from their home countries (van Zyl et al., 2019). In this regard, Williams (2010) stated that due to their dependence on aid agencies and private philanthropies, international NGOs implement strategies "from above", rather than championing the interests of local communities. The author further pointed out that some international NGOs are more autocratic, less professional and non-participatory in their dealings with beneficiary communities. Based on the preceding discussion, the following hypotheses are proposed:

H_3: The type of NGO (local versus international) will moderate the impact of donor influence on NGO accountability.

H_4: The type of NGO (local versus international) will moderate the influence of state regulation on NGO accountability

2.7 Challenges faced by NGOs in their quest for downward accountability

One of the challenges NGOs face in downward accountability is their dependence on donors for financial assistance, making them more focused on being accountable to donors rather than beneficiaries (Agyemang et al., 2009). Studies have recognized NGOs' lack of sufficient financial and human resources as a setback in the effective implementation of downward accountability mechanisms (Bawole & Langnel, 2016; Shava, 2019). The excessive dependence on financial assistance from donors makes it extremely difficult for NGOs to consider the priorities of beneficiaries as they are often more focused on meeting donors' requirements (Banks & Hulme 2012; Wellens & Jergers 2014). In a study of ActionAid activities in Uganda, Walsh (2016) observed that the largely quantitative reporting requirements demanded by donors are usually incompatible with the goal of downward accountability. This is the case as downward accountability has its own resource requirements and complexities and, thus, NGOs lack time and resources to commit to downward accountability efforts. Indeed, Shava (2019) found that Zimbabwean NGOs struggled to undertake monitoring and evaluation activities aimed at ensuring downward accountability due to time and capacity limitations.

This challenge is worsened by the lack of donor commitment and their unwillingness to give agency to implementing NGOs to ensure the active participation of beneficiaries in decision-making processes (Bawole & Langnel, 2016). To illustrate the foregoing, O'Dwyer and Unerman (2010) established that Irish NGOs lacked practical initiatives to encourage local NGOs to involve beneficiaries in accountability dialogues in countries where they funded projects (O'Dwyer & Unerman, 2010).

Furthermore, in a study on challenges faced by Mexican NGOs in implementing downward accountability measures, Andrew (2014) observed that NGOs suffered financial dislocation when beneficiaries demanded that NGOs hand over their financial accounts and shift focus from women's empowerment to economic development. This radical demand from beneficiaries shows how problematic downward accountability can be and caution must be taken to achieve a level that is appropriate for a particular context.

Scholars have also identified the lack of urgency from beneficiaries to demand and engage in downward accountability with NGOs and their donors as a significant challenge. O'Dwyer (2012) noted that even though donors and NGOs might be willing to engage with the communities in downward accountability there is a task of finding a balance where communities need to demand accountability. There is a need to establish mechanisms enabling more meaningful beneficiary participation in decision-making as part of downward accountability. This is partly a result of beneficiaries and community leaders not pushing for more representation in NGOs and donor operations. This is also necessitated by the unwillingness of both NGOs and donors to empower beneficiaries to ensure active involvement of beneficiaries in decision-making processes. Downward accountability demands that NGOs involve beneficiaries in decision-making and learn and gain local knowledge in the process (Awuah-Werekoh et al., 2023). However, there is diversity and power differentiation among stakeholders (beneficiaries, donors, and NGOs) which makes it difficult to achieve downward accountability. Besides knowledge and capacity, communities need to have information about their entitlements from the different NGOs operating in their area The lack of demand for accountability from the beneficiaries puts the NGO in the position of being able to drive the accountability relationship, which should not be the case. Communities are supposed to be in a position to demand accountability from the NGOs that work in their area.

Scholars have also argued that in most cases beneficiaries are not enlightened and, thus, do not have skills in project planning and management (Andrews, 2014; Burger & Seabe, 2014; O'Dwyer & Unerman, 2010). Rahman (2023) in his study of NGO downward accountability in Bangladesh observed that mostly the voices of beneficiaries are not heard in NGO's decision-making forums and that their participation to technical meetings by

NGOs is minimal due to knowledge gap. He also noted that existing formal processes and mechanisms to engage beneficiaries is lacking adequate representation of beneficiaries with sufficient scope to raise their voices on topics discussed at meetings This means that unless beneficiaries are trained to acquire the requisite skills in community project planning and management to support NGO project implementation, downward accountability may not be realized. Additionally, beneficiaries are cautious in demanding accountability from and criticizing NGOs for fear of losing benefits or being sidelined for future projects or project withdrawal, mostly due to poverty and the resultant vulnerability (Agyemang et al., 2009; Unerman & O'Dwyer, 2010). This tendency necessitates the gaps that exist between NGOs and the beneficiaries. Beneficiaries are the weakest in NGO-power relationships and are often neglected in decision-making processes. The non-involvement of beneficiaries in the entire project cycle reduces NGOs' legitimacy and subsequently threatens projects' effectiveness and empowerment of beneficiaries (Rahman, 2023). Effective downward accountability measures of NGOs to beneficiaries have the potential to reduce the risk of NGO corruption, as well as optimise the efficiency and effectiveness of development-oriented outcomes. Mirroring the challenge of lack of capacity among beneficiaries is also a challenge of capacity gaps among NGO staff. For instance, Walsh (2016) found that in Uganda IrishAid had prioritized recruiting staff who could produce reports over those who had effective networking and facilitation skills and could work well with beneficiary communities.

2.8 Theoretical Framework

The present study is underpinned by the two theories: deterrence theory and stewardship theory as the underlying theoretical frameworks.

2.8.1 Deterrence Theory

According to Lee (2017), the deterrence theory of punishment holds that the institution of criminal punishment is morally justified because it serves to deter crime.

McGee & Gaventa (2011, p. 7) argue that accountability "ideally involves both answerability the responsibility of duty-bearers to provide information and justification about their actions and enforceability, which is the possibility of penalties or consequences for failing to answer accountability claims" or to offer accountability.

In this case, the fear of punishment or sanction by NGOs is an important incentive to deter wrongdoing which, in this case, will facilitate downward accountability by the NGOs in Malawi. In this regard deterrence theory is important in understanding what factors facilitate downward accountability. This is the case as mostly NGOs are controlled by donors because of the resources attached and secondly by government that provides the environment in which NGOs operates in. In any case it is easy for donors or government to give punishment to NGOs to deter their behaviour. The deterrence theory is often associated with the idea of punishment in that for NGOs that will not follow the law, punishment is justified. Furthermore, the research on restrictive deterrence is based on the idea that people are rational and subjectable to deterrence in some form. In this regard, it is assumed that people adjust their behaviours based on subjective perceptions of risk. Jacobs (2010) makes a theoretical distinction between two aspects of the deterrence theory and explains deterrence as the perceptual process where offenders calculate risks, and deterrability as the situational capacity and that the fear of sanctions inhibits an organization from committing crimes. A large part of deterrence research focuses on the ways that people assess the potential sanctions of their actions before deciding to engage in or abstain from illegal behaviours. It suggests that perceptions of the severity and certainty of consequences of committing a crime do have deterrent effects on actors' decisions (Pratt, et al., 2008). While punishments may be designed to make people abstain from crime altogether, punishment is more likely to inspire people to reduce the crime they commit rather than give it up altogether. According to Mcdonnell et al. (2021), scholars have highlighted the use of punishment as a tool to defend laws and norms, deter deviance, and restore justice in the aftermath of organizational misconduct.

Research generally supports the claim that people and organizations are restrictively deterred in response to potential sanctions (Nguyen, et al., 2015). Lee (2017) observes that, because punishment is supposed to dissuade rational agents from engaging in criminal activities, methods of punishment are likely to come in the form of some negative experience a cost or a price, rather than a benefit or reward. If we are to deter rational agents from committing crimes, we must make sure that the consequences of offending are likely to be bad for them. Sanctions are also to used induce compliance with rules and regulations and such sanctions usually specify the mandatory minimum punishments (Parks, Joireman, & Van Lange, 2013). In the context of the present study, in 2022 the NGO Board amended the NGO Act with sanctions and punishment to induce compliance from the NGOs operating in Malawi. In Malawi, there have been high instances of NGO misconduct that have gained considerable attention recently. The new law seeks to punish NGOs that do not abide by its provisions and is being used to deter and control the activities of NGOs in promoting downward accountability, among other objectives. The NGO Board and the donor community have the power to act and deter NGOs that will not abide by the newly amended law and donor guidelines. Indeed, Hodwitz (2019) contended that organisations will change their behaviour when faced with increasing costs or punishments.

2.8.2 Stewardship Theory

Stewardship is an attitude and behaviours that places other people or groups above personal interests in the long term (Hernandez, 2008). According to Khikhmah et el. (2023), the stewardship theory is based on the philosophical assumption that humans are trustworthy, able to act responsibly, and have integrity and honesty. Stewardship theory emphasizes the need for the alignment of the aims of the principal and the agent. According to Keay (2017), stewardship theory proposed that subordinate agents in the public sector are not 'individualistic, opportunistic and self-serving', but rather 'collectivistic, pro-organizational and trustworthy.

The stewardship theory holds, essentially, that directors/NGOS act as stewards and will not be concerned about fostering their own interests or gains but rather will be willing to act in the best interests of their organization, and they will act in a way that leads to collectivist/organizational utility rather than self-serving benefits. In this current study therefore, the central element of the theory is based on trust between the NGOs and their beneficiaries.

Thus, NGOs acting as stewards are concerned about acting honourably and "doing the right thing" (Stout, 2003, p. 8). Stewardship theory is marked by the idea of service for others and not self-interest. In this case NGOs accountability requirements and efforts will ensure that the needs of the beneficiaries that they are serving are fulfilled by ensuring that they are accountable to their beneficiaries. The stewardship theory assumes a commitment to the welfare, growth, and wholeness of others as a motivation. In this case NGOs will be motivated to be accountable to their beneficiaries as stewards of good will and intention. This is so, not only because of fear of punishment and sanctions as per proposed by deterrence theory, but also because they are the stewards of the beneficiaries in the community they are working. Furthermore, they will do so for legitimacy by the community members where they are operating to build trust.

The role of the NGOs and their managers in this case is not to control beneficiaries in the communities but rather promoters of mutual trust. They NGOs should aim to facilitate dialogue with and amongst the beneficiaries at all levels, empowering them also to be able to question NGO's operation in their communities. Decision-making processes should also be made to be transparent and inclusive (Torfing & Bentzen, 2020). NGOs must accept responsibility for what they do and the need to be answerable to the beneficiaries that they represent. It is generally acknowledged that for accountability to be effective, there must be a dialogue between NGOs, donors, government, and the beneficiaries (Keay, 2017). According to Stout (2013) NGOs should generally regard themselves as stewards and act in line with the broad stewardship approach to ensure they are accountable for resources they receive on behalf of the community members.

2.9 Conceptual Framework

Conceptually, the study has four variables. Two of the variables are the probable drivers of NGO accountability, namely state regulation, and donor influence. The third variable is NGOs' downward accountability, which is the dependent variable. The last variable is the NGOs' scope of operations or ownership (local vs international), which has been explored as a moderating variable in the study. State regulation encompasses government rules governing NGO operations in Malawi. They include the NGO Act, policies and frameworks that determine the activities of NGOs in Malawi. Donor influence on NGO accountability constitutes the funding rules, donor policies and reporting or monitoring procedures and requirements.

Downward accountability indicates the level of participation of communities and their capacity to demand information from the NGOs operating in their area. The moderating variable segregated the respondent NGOs into either local or international depending on their scope of operation. Figure 1 which follows depicts the conceptual framework of the study.

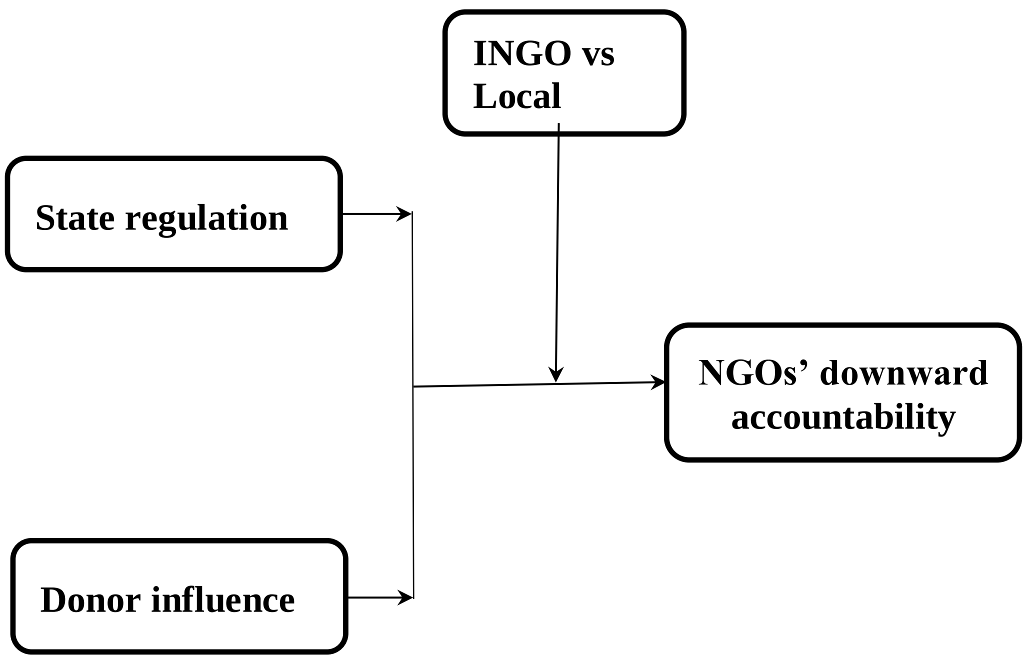

Figure 1: Conceptual framework of the study

2.10 Chapter Summary

The chapter presented the literature review that the study has based on accountability to the community, donor influence and accountability to the community and state regulation and downward accountability to the community. The chapter also presented the hypothesis of the three variables that the study has used. It further provided a theoretical framework that the study is based on to support the proposed hypothesis.to the study, briefly discussing the rationale for the theory as well as the conceptual framework.

CHAPTER THREE
METHODOLOGY

3.1 Introduction

Research methodology is defined by as “the general approach the researcher takes in carrying out the research project” (Leedy & Ormrod, 2001, p. 14). This chapter will present the study philosophy, study design, target population, sample size, sampling procedures, and data collection tools and data analysis approaches that the study will employ.

3.2 Research Philosophy

The study used mixed research design based on pragmatism research philosophy. This is the case as the study used a holistic approach to understand not only the factors that influence downward accountability but also understanding the challenges that NGOs face in their quest for accountability.

3.3 Research Design

The study adopted a mixed-methods research design. A quantitative research design was adopted to address the first four objectives of the study as the objectives required a confirmatory research approach. The study also used a qualitative research approach to address objective 5. The objective required a rich and nuanced understanding of the challenges experienced or perceived by NGOs in their quest for downward accountability.

Thus, it was deemed necessary to adopt a qualitative approach to unearth the said issues, which would have been difficult if a quantitative approach was used (Tierney & Clemens, 2011). Quantitative research involves the collection of data so that information can be quantified and subjected to statistical treatment to support or refute “alternate knowledge claims” (Creswell, 2003, p. 153). Quantitative research also involves data collection that is typically numeric, and the researcher tends to use mathematical models as the methodology of data analysis (Wells et al., 2015). Additionally, the researcher uses inquiry methods to ensure alignment with statistical data collection methodology. There are three broad classifications of quantitative research: descriptive, experimental, and causal comparative (Leedy & Ormrod, 2001).

The study used a descriptive and causal-comparative research approach. This is a basic research method that examines the situation, as it exists in its current state. Descriptive research involves the identification of attributes of a particular phenomenon based on an observational basis or the exploration of the correlation between two or more phenomena. In causal-comparative research, the study examines how the independent variables affect the dependent variables and involves cause-and-effect relationships between the variables. The factorial design focuses on two or more categories with the independent variables as compared to the dependent variable (Vogt, 1999). The causal-comparative research design provides the researcher with the opportunity to examine the interaction between independent variables and their influence on dependent variables. In the present study, the independent variables will be donor influence and state regulation while NGOs’ downward accountability will be the dependent variable. The study will also explore the moderating role of NGO scope of operations (local vs. international) on the examined relationships.

3.4 Study Population

The study population refers to the people from whom the sample of the study will be drawn (Abutabenjeh, & Jaradat, 2018). The population for a study is the group about whom the study draws its conclusions. The study population for this paper were both international and local NGOs working in various sectors in Malawi and duly registered by the Non-Governmental Organisation Regulatory Authority in Malawi (NGORA).

According to the data collected from NGORA, there are 1071 registered NGOs in Malawi where 856 are local and 215 are international. The study recruited 151 NGOs from this list shared by NGORA.

3.5 Sampling approach

For the sampling approach, a list of compliant NGOS for the year 2021 was accessed from the NGORA website. Using simple counting rules (where every third listed NGO was chosen), a total of 294 NGOs were chosen for inclusion in the study. The NGOs' contact details were obtained from the internet and used to send (via email) the link with the questionnaire to the NGOs. In the email, respondent NGO representatives were asked to share the contact details of other NGO representatives who could participate in the study. In this regard, much as the bigger part of the sample was selected randomly, the study also used snowball sampling to recruit participants. Ultimately, 151 usable responses were obtained for the study. For the qualitative data, participants for the in-depth interviews were recruited using the purposive sampling approach. Senior NGO managers with at least ten years of experience in the NGO sector were chosen as participants in the interviews. To ensure that participants met the inclusion criteria, an invitation was sent with an explanation and respondents had to confirm meeting the criteria before interview could be arranged.

3.6 Sample size

The study target was a sample size of 151 NGOs (both local and international) for the quantitative data and 10 respondents for the qualitative data. The study involved at least 1 staff occupying at least a supervisory position (manager) in each NGO. Thus, the study engaged a sample size of at least 151 participants. The 151 sample size for the quantitative part of the study was way above the minimum threshold recommended in studies using multiple regression analysis. One of the approaches to determining the sample size in regression studies uses the rule of thumb as expressed by the formula, $n_{min} \geq 50+8m$ where n_{min} is the minimum sample size and m is the number of predictor variables (Green, 1991). Given that the study had two independent variables, the minimum sample size was supposed to be 66 observations. Thus, the sample size of 151 respondents was more than the minimum sample size required for the study.

For the qualitative data, three participants, four participants and three participants were selected from the northern, central and southern regions of Malawi, respectively. After interviewing the participants. Recurrent themes were observed (data saturation) and hence a decision was made not to recruit another set of participants.

3.7 Measurement scales

To ensure the reliability and validity of the study results, the study used measurement scales that have been used and validated extensively in previous studies. Donor influence as an independent variable was measured using seven items adapted from Odundo (2014) and Ogutu (2019). The items included statements like *"Our donors decide what projects we should implement using their funds in line with community needs"* and *"Donors disbursement of project funds requires accountability to the community from us"*. State regulation as an independent variable was assessed using eight items adopted from Robichau and Fernandez (2017). The items included statements like *"The Government of Malawi has more effective regulations to encourage NGOs to be accountable to their beneficiaries and other similar stakeholders"* and *"There are complete laws and regulations to ensure downward accountability and transparency by NGOs"*. Downward accountability as a dependent variable was assessed using five items adapted from Odundo (2014) and Said et al. (2013). The scale included statements such as *"We share progress reports about projects with our beneficiary communities"* and *"We often involve the beneficiary communities in project decision-making"*. A five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree) was used to assess the items. For the moderating variable, local NGOs were assigned a value of 1 while international NGOs were assigned a value of 2.

3.8 Data collection

Data was collected using a close-ended questionnaire. An electronic version of the questionnaire (using Google Forms) was emailed to NGOs registered with the NGO Regulatory Authority and the Council for Non-Governmental Organisations in Malawi (CONGOMA) (a membership umbrella organization for NGOs). Follow-up phone calls were made where there was a need for reminders. For the qualitative component of the study (objective 5), an open-ended question on challenges to downward accountability was also included in the online questionnaire. Follow-up phone calls were made to probe further into responses obtained to the open-ended question. These follow-up phone calls were made to a total of ten NGO representatives (five from local NGOs and five from international NGOs). Employees holding managerial positions/roles were targeted for the interviews. It is assumed that such employees have the knowledge and experience of the issues under investigation in the study.

3.9 Data analysis

The Statistical Package for the Social Sciences (SPSS) software was used to analyse the quantitative data. First, descriptive statistics were computed to explain the characteristics of the respondents and their employer NGOs. Thereafter, the hypothesized relationships and moderation were tested with the aid of multiple linear regression analysis and moderation analysis functions in SPSS. The qualitative data was analysed using the Miles and Huberman (1994) framework for thematic analysis. Based on the framework, thematic data analysis consists of three activities: data reduction, data display and conclusions drawing/verification. Data reduction involves condensing the transcribed data or field notes to a manageable scale and intelligible format in line with the issue(s) being addressed in a study. Data display constitutes presenting the reduced data in a well-organised word or diagrammatic form for easy conclusion drawing. Finally, conclusion drawing, or verification implies deciding what the analysed data means and the implications the meanings have regarding the questions posed at the onset of the research.

In this regard, the qualitative data collected through both the online questionnaire and follow-up phone calls were transcribed to be categorised into themes and in total five themes were identified as presented in the proceeding chapter on the challenges.

3.10 Ethical Considerations

First, an introductory letter was obtained from the Department of Politics and Governance in the School of Law, Economics and Governance of the University of Malawi. The letter was presented to all participant NGOs before their staff could participate in the study. Concurrently, the study sought consent from the NGOs so that their representatives could participate in the study. The representatives were asked to participate in the study voluntarily. Furthermore, the study respondents were assured that the information provided was solely to be used for the purposes of this study and would be treated with confidentiality. Information that was used from other sources and authors to complement and support this study is acknowledged in the reference section.

3.11 Study Limitation

The study has several limitations that could be addressed in future studies. First, the study used cross-sectional data. The limitation in this was that no comparison was made between two different periods, such as before and after the amendment of the NGO Act. Furthermore, various variables such as organizational culture, organization size, governance structure, etc. could moderate NGOs' downward accountability, yet the study only examined NGO type as a moderator. Future studies could consider the moderating roles of the other stated variables. Another limitation pertains to the unwillingness of NGOs to provide accurate information for the study. However, this was minimized by assuring respondents that the information provided will be treated with confidentiality.

3.12 Chapter Summary

This chapter presented the methodology that was used to conduct the study in achieving the study objectives. The chapter provided the research design, study population, sample size, measurement scale used in the study, how data was collected and analyzed and ethical considerations. The study involved both local and international NGO staff that are working in various districts in Malawi. Data for both quantitative and qualitative was collected via an online questionnaire which was sent to the respondents through emails. Further, for the qualitative data, follow-up calls were made to get more details from 10 respondents, five each from local and international NGOs.

CHAPTER FOUR
ANALYSIS AND DISCUSSION OF THE RESULTS

4.1 Introduction

This chapter presents an analysis of the data and a discussion of the results in line with the objectives of the study. The chapter is structured as follows. First, the demographic characteristics and work-related information of the respondents are presented. Then the profiles of the organisations represented by the respondents are presented. This is followed by a descriptive analysis of the three major variables (state regulation, donor influence and downward accountability) investigated in the study is presented. Thereafter, multiple regression analyses of the proposed hypotheses are presented. All the analyses are accompanied discussion of the results in line with the reviewed literature.

4.2 Demographics and work-related information of the respondents

Table 1 below presents the demographic characteristics of the respondents in terms of their age, gender, marital status, education, and years of experience working in the NGO sector. Regarding age, the majority of the respondents (62.3 percent) were in the age range of 30-40 years, followed by those in the age category of 41 to 50 years who made up about 20 percent of the sample. On gender, male respondents dominated the sample (74.8 percent). Only 1 respondent (0.7 percent) preferred not to indicate their gender. Thus, more males than females participated in the study. On marital status, the study reached out to 39 single respondents (25.8 percent), 104 respondents who were married (68.9 percent), while 8 (5.3 percent) of the respondents did not indicate whether they were married or not.

More than half of the respondents (54.3 percent) possessed a college/university degree, followed by those with a master’s degree (34.4 percent) as their highest qualification. In terms of work experience, about 85 percent of the respondents had worked in the NGO sector for at least 5 years.

Table 1: Demographics and work-related information (n = 151)

Variable	**Category**	**Frequency**	**Percentage**
Age	Less than 30	15	9.9
	30-40 years	94	62.3
	41-50 years	30	19.9
	51 years and above	12	7.9
Total		**151**	**100**
Gender	Female	37	24.5
	Male	113	74.8
	Prefer not to say	1	0.7
Total		**151**	**100**
Marital Status	Single	39	25.8
	Married	104	68.9
	Other	8	5.3
Total		**151**	**100**
Education	Secondary/high school	2	1.3
	College Certificate	1	0.7
	College diploma	13	8.6
	College/university	82	54.3
	degree	52	34.4
	Masters	1	0.7
Total	Doctorate	**151**	**100**
NGO experience	Less than 5 years	23	15.2
	5 years to 10 years	82	54.3
	11 years to 15 years	24	15.9
	More than 15 years	21	13.9
	Not indicated	1	0.7
Total		**151**	**100**

4.3 Organisational Profile

Tables 2 and 3 present the profiles of the organisations represented by the respondents in terms of the NGOs' scope of operation (local versus international), years of operation in Malawi, number of employees, and NGO's field of operation (specific sector). Regarding the scope of operation, 60.3 percent were local NGOs operating only in Malawi. On NGOs' years of operation in Malawi, close to three-quarters of the NGOs had been operating in Malawi for at least 10 years. Regarding the size of their workforce, 45 percent of the NGOs employed between 10 to 50 employees, followed by those who employed less than 10 employees (21.2 percent). In terms of the NGO's specific field of operation, many of them (88) worked in the child protection/youth empowerment sector, followed by those who worked in the health and sanitation sector (81). The least number of NGOs was observed in the social accountability/anti-corruption sector. It should be noted that the respondents were allowed to choose more than one field of operation, hence the totals under this variable are more than the sample size.

Table 2: Organisational Profile (n = 151)

Variable	**Category**	**Frequency**	**Percentage**
NGO's scope of operation	Local	91	60.3
	International	60	39.7
Total		**151**	**100**
NGO's years of operation in Malawi	1 to 5 years	21	13.9
	At least 5 years but less than 10 years	18	11.9
	At least 10 years but less than 15 years	24	15.9
	More than 15 years	88	58.3
Total		**151**	**100**
Number of employees	Less than 10	32	21.2
	10 to 50 employees	68	45.0
	51 to 200 employees	25	16.9
	More than 200	23	15.2
	employees	3	2.0
Total	Not indicated	**151**	**100**

Table 3: NGOs' Scope of Operation

Field of operation	Number of NGOs operating in the field
Human Rights	68
Health and Sanitation	81
Agriculture/food security	49
Education	67
Gender	77
Girl/ Women empowerment	79
Child protection/youth empowerment	88
Environmental protection	46
Social Accountability/ anti-corruption	45

Note: Respondents were ticking more than one option which is why the total is more than 151.

4.4 Descriptive analysis of the measurement items

Descriptive analyses of the measurement items under each of the three major variables were undertaken to evaluate respondents' perceptions of the issues under investigation (Table 3). Regarding state regulation, item SR 7 was rated the highest. This means that NGOs recognise that being accountable to their beneficiaries is a basic principle of operation in their work. Indeed, the Paris Declaration on Aid Effectiveness (2005) and the Accra Agenda for Action (2008) have encouraged development agents (NGOs) to be more accountable to their beneficiaries if they are to achieve lasting development impact in the communities they serve. Specifically related to state regulation of NGOs, the relatively high rating of item SR4 (mean = 3.94) shows that the NGOs have embraced the significant role that the state plays in ensuring that they are accountable to their beneficiaries.

This is in line with Burger (2012) who argued that state regulation of NGOs has pushed NGOs to align their interest with those of their beneficiaries and the society, thereby reinforcing downward accountability. However, the rating of item SR2 (mean = 3.17) shows that there is still room for improvement in the laws and regulations guiding downward accountability in Malawi. Perhaps this was the case because the study was conducted not long after the amendment of the NGO Act (NGO Amendment Act, 2022).

On donor influence, item DI4 (mean = 3.85) which specifically talks about donors having explicit requirements regarding reporting to the community was rated slightly high. This agrees with Ortega et. al. (2020) that donors are strict in terms of their various reporting requirements from NGOs which they fund. This is also one of the indicators or milestones for an NGO's performance. Item DI1 was one of the highly rated donor influence statements, suggesting relatively high levels of supervision of NGO projects by donors. Usually, such supervision includes observing if the NGOs are engaging various stakeholders (including beneficiaries) in project implementation (Abouassi & Trent, 2015). As pointed out above, donors can leverage the powers that they hold over NGOs to influence downward accountability.

Regarding downward accountability, one of the statements that was highly rated (DA2, mean = 4.1) was about NGOs sharing funding sources with the beneficiaries. However, item DA4 (mean = 2.72) which relates to NGOs sharing audited financial reports with beneficiary communities was rated below average which was the lowest among all the downward accountability items. Similarly, item DA1 (mean = 3.66) which relates to involving beneficiaries in project decision-making was rated just above average. Perhaps, this could be explained by the notion that most beneficiary communities lack the knowledge and sophistication to understand the contents of such reports and effectively participate in project planning, implementation, and evaluation (Andrews, 2014; Burger & Seabe, 2014; O'Dwyer & Unerman, 2010).

Table 4: Descriptive analysis of the measurement items (n = 151)

Constructs and measurement items	Minimum	Maximum	Mean	SD
State regulation				
SR 1: The Government of Malawi has more effective regulations to encourage NGOs to be accountable to their beneficiaries and other similar stakeholders	1	5	3.44	1.33
SR 2: There are complete laws and regulations to ensure downward accountability and transparency by NGOs	1	5	3.17	1.32
SR 3: Our NGO tries to reduce the threat from government regulators by implementing downward accountability practices	1	5	3.59	1.12
SR 4: Government regulations (on NGO accountability) are important for our NGO to implement downward accountability practices	1	5	3.94	1.18
SR 5: The increasing consciousness about NGO accountability has spurred our NGO to implement downward accountability practices	1	5	3.56	1.12
SR 6: Stakeholders may not support our NGO if we do not implement downward accountability practices	1	5	3.60	1.39
SR 7: Being accountable to beneficiaries is a basic requirement for our NGO to operate in our field/area of practice	1	5	4.19	1.24
SR 8: Stakeholders that work with us expect NGOs in our area/field of practice to implement downward accountability practices	1	5	3.99	1.26
Donor influence				
DI 1: Donors are often involved in the supervision and monitoring of our projects that they (the donors) have funded	1	5	4.41	1.13
DI 2: Donors are often involved in the supervision and monitoring of our projects that they (the donors) have funded	1	5	4.40	1.01
DI 3: Our donors decide what projects we should implement using their funds in line with community needs	1	5	3.64	1.43
DI 4: Our donors have explicit requirements regarding reporting to beneficiary community on resource use and project outcomes	1	5	3.85	1.21
DI 5: The donor agencies require that our projects should be audited regularly	1	5	4.60	1.01
DI 6: The donor agencies require the implementing partner to use a particular auditing system	1	5	4.02	1.20
DI 7: Donors disbursement of project funds requires accountability to the community from us	1	5	4.64	0.97
Downward accountability				
DA 1: We often involve the beneficiary communities in project decision-making	1	5	3.66	1.31
DA 2: We share our funding sources with the beneficiary communities	1	5	4.10	1.20
DA 3: We share progress reports about projects with our beneficiary communities	1	5	3.79	1.25
DA 4: We frequently share our audited financial reports with our beneficiary communities	1	5	2.72	1.36
DA 5: Our NGO ensures that funds are used properly and, in the manner authorized	1	5	4.54	0.92

4.5 Exploratory Factor Analysis

To confirm the separate variables in the data, a principal component analysis (PCA) was conducted using varimax rotation in SPSS. In line with Kaiser's rule (i.e., eigenvalue greater than 1), three domains were identified in the data, confirming the three variables entered in the analysis. The three domains accounted for about 58% of the total variance. Factor scores were examined using the Bartlett method and retained for further analysis. Two items under state regulation (SR1 and SR2) and one item under downward accountability (DA 3) were dropped because they had factor loadings less than 0.45.

Table 5: Results of the exploratory factor analysis (n = 151)

Constructs and measurement items	**Loading**	**Eigenvalue**	**% Variance**	**Cronbach's alpha**
State regulation		1.77	20.49	0.84
SR 3: Our NGO tries to reduce the threat from government regulators by implementing downward accountability practices	0.750			
SR 4: Government regulations (on NGO accountability) are important for our NGO to implement downward accountability practices	0.742			
SR 5: The increasing consciousness about NGO accountability has spurred our NGO to implement downward accountability practices	0.718			
SR 6: Stakeholders may not support our NGO if we do not implement downward accountability practices	0.698			
SR 7: Being accountable to beneficiaries is a basic requirement for our NGO to operate in our field/area of practice	0.672			
SR 8: Stakeholders that work with us expect NGOs in our area/field of practice to implement downward accountability practices	0.578			
Donor influence		6.75	23.56	0.86
DI 1: Donors are often involved in the supervision and monitoring of our projects that they (the donors) have funded	0.830			
DI 2: Donors are often involved in the supervision and monitoring of our projects that they (the donors) have funded	0.786			
DI 3: Our donors decide what projects we should implement using their funds in line with community needs	0.705			
DI 4: Our donors have explicit requirements regarding reporting to the beneficiary community on resource use and project outcomes	0.692			
DI 5: The donor agencies require that our projects should be audited regularly	0.681			

DI 6: The donor agencies require the implementing partner to use a particular auditing system	0.676			
DI 7: Donors disbursement of project funds requires accountability to the community from us	0.458			
		1.42	14.40	0.73
Downward accountability				
DA 1: We often involve the beneficiary communities in project decision-making	0.809			
DA 2: We share our funding sources with the beneficiary communities	0.803			
DA 4: We frequently share our audited financial reports with our beneficiary communities	0.555			
DA 5: Our NGO ensures that funds are used properly and, in the manner authorized	0.456			

Notes: KMO = 0.88; Bartlett's test = 1180.81; p < 0.000

4.6 Questionnaire reliability and validity

To establish the reliability and validity of the questionnaire, two tests were computed. First, a reliability test of the measurement scales using Cronbach's was computed. The three scales demonstrated a good level of internal reliability as Cronbach's alpha values for all three variables exceeded 0.7 (Table 5). Furthermore, a pairwise correlation test of all the measurement was performed using SPSS. The results showed that all P values were less than 0.05 whereas R values were mostly between 0.3 and 0.8. The tests demonstrated that the measurement scales adopted were reliable and valid hence regression analysis could be conducted.

4.7 Multiple regression analysis

To test the proposed hypotheses, multiple linear regression was conducted in SPSS. Mean values were first computed for each of the three variables for use in the multiple linear regression. The data were first examined for multiple collinearity and the results showed that no variable could be determined with a higher degree of accuracy. The results showed an overall multiple R squared value of 0.308 and were statistically significant ($p < 0.001$) with an adjusted R^2 of 0.299 (Table 6). The results further showed that both donor influence (β =0.29, $p < 0.001$) and state regulation ($\beta = 0.34$, $p < 0.001$) positively influenced downward accountability among NGOs, with state regulation showing the stronger effect between the two predictor variables. Thus hypotheses 1 and 2 were supported.

Table 6: Multiple regression results

Predictor variable	Beta	t-value	*p*-value*	Collinearity statistics	
				Tolerance	VIF
Donor influence	0.294	4.11	0.000	0.703	1.423
State regulation	0.336	3.60	0.000	0.703	1.423

*Statistically significant at $p < 0.001$; with downward accountability as a dependent variable.

The result for hypothesis 1 is in line with the findings of Uddin and Belal (2019) who established that donors' influence on NGOs can facilitate downward accountability to beneficiaries. In this regard, Odundo (2014) pointed out that donors have the power to withhold funding or channel funds to other organisations if the NGO they are working with is not accountable. This has also been noted throughout the responses on the challenges in objective number 5 that most NGOs will always abide by the rules provided by their donors. This can be a good mechanism to force NGOs to be accountable to their beneficiaries through creating opportunities, empowerment, and provision of resources as it has also been noted that downward accountability requires resources and commitment from donors.

The result for hypothesis 2 reinforces the finding by Amagoh (2015) who identified government oversight as one of the most potent tools for enhancing NGO accountability to their beneficiaries. According to Duputy (2015), the state exerts pressure on NGOs by employing various measures that include regulation, coordination and monitoring of NGO work as their oversight functions. This also is in line with the newly amended Malawi NGO Act of 2022 which provides for tighter regulation of NGO operations in Malawi.
Furthermore, between the two independent variables, state regulation showed a stronger effect than donor influence as presented in Table 5. This clearly shows that the government has the power to ensure that both local and international NGOs are accountable to their beneficiaries. This is the reason why the Government can leverage this to ensure that NGOs

are accountable not only to their funders/donors but also to their beneficiaries. It can be argued, therefore, that much as donors might demand accountability from NGOs, most of the accountability demands could be for their own benefit (upward accountability). Thus, the government has a crucial role in ensuring that NGOs are accountable to their beneficiaries.

As already pointed out, the NGO sector in the 2020/2021 budget spent over one trillion which was half of the Malawi government budget. If these funds are put to good use, a lot of communities will be uplifted. Therefore, the government is a necessary tool to play an oversight role in mediating between NGOs and the beneficiaries to enforce downward accountability. This echoes the proposal by Unerman & O'Dwyer (2010) who argued that there is a need for NGOs to replace functional accountability with a more focused accountability to beneficiaries through actions that promote sustainable development in the communities. Further, through regulation of NGO operations government would ensure that funds received by NGOs on behalf of Malawians are used to uplift the life of the communities. According to Goddard (2021), the traditional approach which the government can achieve this is through NGO legislation, submission of reports, monitoring and also ensuing sanctions in the form of punishments and rewards.

4.8 Moderation analysis

Moderated regression analyses were also conducted (using SPSS PROCESS macro) to test hypotheses 3 and 4. The results showed that NGOs' scope of operation (local vs. international) did not moderate the relationship between donor influence and downward accountability nor the relationship between state regulation and downward accountability (Tables 7 and 8). Thus, hypotheses 3 and 4 were not supported. This means that the type of NGO (local vs. international) did not exert any influence on the two examined relationships. Thus, the empirical results from the current study present opposing views to the supposition by van Zyl et al. (2019) that the impact of donor influence on an NGO's downward accountability efforts will be moderated by the type of the NGO. Similarly, the findings stand in contrast to the views of Dupuy et al. (2015) who proposed that the strength of the relationship between state regulation and an NGO's downward accountability efforts will be influenced by the type of the NGO.

Table 7: Moderation analysis results (Donor influence x type of NGO)

Predictor variable	Beta	t-value	*p*-value	LLCI	ULCI
Donor influence	0.498	4.240	0.000	0.266	0.730
Type of NGO	-0.022	-0.032	0.975	-	1.309
Interaction effect	0.019	0.120	0.905	1.352	0.330
				-	
				0.292	

Downward accountability as a dependent variable.

Table 8: Moderation analysis results (State regulation x type of NGO)

Predictor variable	Beta	t-value	*p*-value	LLCI	ULCI
State regulation	0.503	4.240	0.000	0.267	0.737
Type of NGO	0.066	0.116	0.908	-1.070	1.203
Interaction effect	-0.015	-0.103	0.918	-0.311	0.280

Downward accountability as a dependent variable.

4.9 Challenges NGOs face in their quest for downward accountability.

An analysis of the qualitative data given through the participants' responses to the question regarding challenges faced by NGOs in their quest for downward accountability revealed several challenges.

4.9.1 Low literacy levels among beneficiaries

The first challenge is capacity gaps that exist on the part of the community beneficiaries and the NGOs themselves. Most of the respondents highlighted that beneficiaries have challenges to understand the technical reports that NGOs share. The technical nature of some reports makes it difficult for communities to understand the progress and financial reports regarding projects. This is also attributed to the literacy levels of most community beneficiaries that the majority of NGOs work with in Malawi. Most communities served have low levels of education which makes it difficult for them to understand financial and program reports shared. Some beneficiary committees are also not interested in the reports being presented to them. In addition to this, there is also a gap in terms of skills to be involved in accountability processes. Two respondents explained as below:

> *"Some* [beneficiaries] *cannot understand the report. So, you do not get feedback you thought you would get, and you end up being frustrated because reporting to the community looks like for formality's sake."* (Respondent 16)

> "*The main challenge is that even the beneficiaries don't know if we are to be accountable to them. They might find it useless to present to them the reports and progress. However, it might depend on the people you're working with. But in our set ups, the beneficiaries have no say, and they just find the end result and are not involved even in planning*."

This finding is in line with what previous studies established that most beneficiary communities are not enlightened enough to understand the technical reports produced by NGOs regarding accountability (Andrews, 2014; Burger & Seabe, 2014). Rahman (2023) noted that a beneficiary's ability to exert influence on inappropriate or undesirable NGO interventions depends on how well they are informed. Regarding the NGOs themselves, there are also gaps in terms of translating the technical and financial reports to suit the community beneficiaries that they work with. Much as NGOs share these reports to donors it is also imperative to formulate simple reports that will easily be understood by the community. One challenge is that most NGOs do not have an effective M&E system to effectively report interventions to various partners, for instance, the community. One of the significant challenges to this is ensuring effective communication and meaningful engagement with beneficiaries which many NGOs fail to do. This is exacerbated by language barriers, cultural differences, and limited access to information that hinder effective communication, making it challenging to involve beneficiaries in decision-making processes and project feedback. One respondent had the following to say on the issue:

> *"Making relevant information accessible to beneficiaries or communities can be a challenge. It involves ensuring that information is readily available, easy to understand, and provided in multiple formats or languages to cater to different needs and literacy levels. This isn't always easy and requires resources".* (Respondent 96)

4.9.2 Resource constraints on the part of NGOs

The second challenge is the lack of resources for continuous community engagement to implement downward accountability initiatives on the part of the NGOs. Respondents reported inadequate financing towards downward accountability activities. For instance, review meetings, feedback and reporting sessions all require resources that the NGOs or their donors might not have or might not be willing to provide. Even during the proposal development stage, community accountability sessions are not given adequate priority. Hence, little to no resources are available to fully implement downward accountability activities. This agrees with the argument by Hulme and Edward (2013) that downward accountability imposes extra financial costs and time on NGOs which is sometimes not possible to accomplish. Therefore, the budget restrictions by donors make it difficult for NGOs to engage the community on downward accountability initiatives. One respondent commented:

> "*Downward accountability requires huge investment which donors might not be interested to fund. There is therefore a trade between putting more money in downward accountability or investing more in programmes and investing in program is more preferred than downward accountability*". (Respondent 26)

Furthermore, respondents highlighted that projects are in a sense dictated by the donors and not based on the needs of the people and that is one reason why it is hard to even hold organizations accountable. One respondent also had this to say:

> "*Certain levels of accountability require a double-edged approach where both the organization and the beneficiaries are well informed of their role in the pursuit of this cause. However; ideally such a status quo also demands that capacity development initiatives are employed and enforced. But on the downside of things, you will note that not many donors would be willing to invest in such, except where it is specifically demanded for them as well either by a higher authority or their donors as well*" (Respondent 38).

Funding has always been one key area that local NGOs face as most of the time the donor agencies would dictate how they would wish things to be done while also ignoring allocating funds for beneficiaries' engagement just to learn from them how they look at the project (Bawole & Langnel, 2016; Shava, 2019). To illustrate this point, one respondent said the following:

> *"Facilitating accountability requires frequent interactions with stakeholders for which we do not always have resources. i.e., in designing projects/ proposals you wish to actively engage the communities throughout, but resources are limited. There is also a cost to engaging communities (allowances etc.) which makes it more difficult if you don't have available resourcing."* (Respondent 150)

4.9.3 Lack of policy direction on the part of major stakeholders (NGOs, donors, and the government)

The third challenge is the lack of policy direction for NGOs, donors, and the government in influencing downward accountability. Respondents reported that there are organization policies in some NGOs that do not allow staff to share technical information (budget, reports, etc.) with beneficiary communities. There are also limited efforts by donors, NGOs, and the government to ensure downward accountability. There is no commitment from NGOs' top management level to prioritize downward accountability in project implementation. One respondent (respondent 62) highlighted that as program implementers they are restricted by organizational policies regarding sharing information with the third party in this case beneficiaries. One respondent had this to say:

> "*In all honesty, our organization is not accountable and transparent to our beneficiaries*" (Respondent 33)

Most NGOs recognized that engaging with beneficiaries and communities in decision-making processes and incorporating their feedback is challenging. However, there is a need to have efforts in the form of a policy to balance diverse perspectives, involving marginalized voices, and ensuring meaningful participation and inclusive approaches that requires deliberate efforts and inclusive approaches. (respondent 69). This agrees with Torfing and Bentzen (2020) in the stewardship theory that NGOs must accept responsibility and be answerable to their beneficiaries as stewards in the targeted communities they are working. The NGOs recognize that other donors for instance USAID have stakeholder engagement policies that they share with their NGOs, however, these are not being enforced enough to promote downward accountability.

4.9.4 Misconceptions and lack of trust between NGOs and beneficiaries

The fourth challenge is misconception, expectations, and lack of trust between NGOs and beneficiaries. The mentality that beneficiaries have towards NGOs that the NGOs misappropriate resources makes their relationship poor and makes it difficult for NGOs to engage and update the beneficiaries. The majority of the respondents were of the view that communities have higher expectations when it comes to donor funds. In this regard, communities think all the requested project funds are meant for actual activities disregarding other operations costs. Most respondents also pointed out that there is some level of mistrust of NGO accountability among community members. This is because there is a lack of understanding of a project cycle by communities resulting in their demand for entire project resources to be spent on them. There is a desire for direct compensation (allowances) for their participation as opposed to initiatives that will be beneficial to the majority. One respondent had this to say:

> *"The challenge comes in due to the lack of understanding among the communities that all the funds are not for implementation alone. For example, for a project of K30 million, communities would think that all that money needs to go to the community. They do not acknowledge staff expenses and some operational costs. This makes it hard for the organizations to open up on the funds, which in the end may end up demoralizing the community if they know that the project had more funds and not all have gone to the interventions."* (Respondent 15)

Additionally, beneficiaries compare NGOs in terms of the allowances and benefits that are offered by the NGOs. Mostly if their demands and expectations are not met you are considered as not being accountable to them. The demand for allowances each time that NGOs engage and interface with them to provide feedback limits NGOs' efforts to engage them regularly. The culture of allowances has affected accountability efforts in NGO operations in most communities. One respondent had this to say regarding the culture of allowances:

> *"Most beneficiaries feel entitled always thinking it's their money and that as implementing organizations, you're simply eating their monies and benefiting more than them. Organizations find it even more difficult to be accountable to the beneficiaries because of this feeling of entitlement."* (Respondent 86)

At times when NGOs disclose project budgets communities often tend to be too demanding. This trend of over-expecting from a project by the community hinders NGOs from sharing critical information.

4.9.5 Lack of agency on the part of beneficiary communities

The other challenge that NGOs face in their quest for downward accountability is the lack of agency from the beneficiaries and community local structures to demand accountability from the NGOs. According to the respondents, this is because the beneficiaries are not fully empowered or do not know their rights. In this case, it is easy to take advantage of their ignorance by among others not being accountable to them. This agrees with what Kilby (2023) observed that the lack of demand for accountability puts the NGO in the position of being able to drive the accountability relationship. Most communities are not aware of many policies that empower them to hold duty-bearers accountable. This, coupled with a lack of information like detailed budgets and work plans, makes it difficult for beneficiaries to challenge reports being presented. This reinforces what O'Dwyer (2012) noted that even though donors and NGOs might be willing to engage with the communities in downward accountability, there is a task of finding a balance where communities need to demand accountability. Furthermore, a related challenge lies in the level of awareness of the set regulations by the communities. In most cases, the laws by the government are not well-popularized and usually come as news to most communities. As such, it becomes difficult to follow them on a mutual level of understanding. One respondent commented:

> "*Some communities have not yet developed a proactive attitude in projects that we implement. This has been a challenge for our organization because accountability and transparency propels communities to be very proactive*" (Respondent 132).

Rahman (2023) and Agyemang et al, (2009) also highlighted that because of poverty and vulnerability, beneficiaries are cautious and afraid to criticize NGOs for fear of losing benefits and side-lined in future projects. This also concurs with most respondents that beneficiaries treat NGOs as their saviours and hence worship them, thus making downward accountability difficult to demand and uphold. Beneficiaries not sharing feedback of complaints out of fear of losing support despite established accountability policies and practices is a cause for alarm for the government to take action. Most of the community structures including ADCs/VDCs cannot conduct social accountability of projects/programs as a result they are not able to actively participate in the process.

4.10 Conclusion

This chapter presented the analysis of the data and a discussion of the results in line with the objectives of the study. The chapter first presented the demographic characteristics and work-related information of the respondents. Secondly, the profiles of the organisations representatives engaged in the study were presented. This was followed by a descriptive analysis of the three major variables (state regulation, donor influence and downward accountability) investigated in the study. Thereafter, multiple regression analyses of the proposed hypotheses were presented. The analysis in each section were followed by a discussion of the results in line with the reviewed literature.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter provides a summary of the entire study in three sections. First, the summary of the findings is presented. Thereafter, recommendations based on the study's findings are discussed. In the end, the study's limitations are discussed and suggested areas for further study are presented.

5.2 Summary and Conclusions

The study was to determine factors that influence NGOs' downward accountability to the beneficiaries. To achieve this, the study explored two independent variables, i.e., donor influence and state regulation. The study used mixed methods: quantitative methods for four objectives and qualitative for one objective. The study examined four hypotheses that were tested using multiple linear regression.

Firstly, the descriptive analysis of the measurement items showed that state regulation item SR7 was rated highly. This indicated the recognition by NGOs that being accountable to their beneficiary is the basis principle. On the other hand, on donor influence item D11 was rated highly highlighting the fact that donors mostly do supervise NGO work. On downward accountability DA2 was rated highly as NGOs agreed that they do share with beneficiaries their sources of funding, however on sharing financial, and audit reports was rated below average. This concurs with the challenges that NGOs highlighted that beneficiaries lack capacity to understand technical reports that challenges their quest to be accountable.

The results showed that both donor influence (β = 29, $p < 0.001$) and state regulations (β = 34, $p < 0.001$) positively influenced downward accountability, thereby supporting hypotheses 1 and 2. Between the two variables, state regulation had a stronger effect than donor influence, highlighting the fact that the state is key in the quest for downward accountability among NGOs in Malawi. The study found no significant differences in terms of donor influence and state regulation in influencing downward accountability to beneficiaries on the part of local and international NGOs, thereby providing no support for hypotheses 3 and 4. This could mean that both local and international NGOs were similarly influenced by their donors and the state in matters related to downward accountability. It clearly indicated that both local and international NGOs similarly face the same force when operating in Malawi environment.

In addition to this, the study also engaged NGOs to understand the challenges which they face in their quest to be accountable to their beneficiaries. The challenges included limited resources and capacity for both beneficiaries and NGOs: lack of commitment by donors to facilitate downward accountability: lack of agency by community structures to demand accountability and finally misconception and lack of trust by the communities in NGOs. These challenges had an effect on NGOs quest to downward accountability as well as affecting the beneficiaries to not demand accountability from the NGOs.

From these findings and the challenges identified, it is important to note that downward accountability requires both parties to be involved in ensuring that that there is downward accountability. Firstly, the government has to make sure that there policies in place to ensure NGOs adhere to the regulations and laws governing NGOs operation in Malawi. Secondly, donors should also play a role of providing resources for the downward accountability activities and also make downward accountability as a a criteria to access and win donor funds. Finally, the beneficiaries themselves should also play a role of demanding accountability from the NGOs operating in their communities. As noted in the literature that NGOs mostly focus on donor and government accountability as compared to the downward accountability it is important to highlight the fact that downward accountability is essential to ensure that resources that are given to NGOs are accounted for.

This can be achieved by strengthening the relationship between NGOs and their beneficiaries. Practicing downward accountability can help increase the level of trust that host communities have in the organization and help in meeting the organization's objectives. In this regard, the study is of the view that both dimensions of accountability both to donors, government and beneficiaries should be practised by NGOs as it is observed that downward accountability is also essential.

5.3 Recommendations of the study

Based on the study's findings, several recommendations are suggested. First, the government should enforce the 2022 NGO amended Act through the Non-Governmental Organisation Regulatory Authority (NGORA). This will facilitate NGOs' downward accountability mechanisms to be prioritised. Although the government require reports and mandatory registration from NGOs, it is imperative to also make downward accountability mechanisms mandatory. For example, mandatory disclosure of the source of funding for NGOs, and the project amount which should be accompanied by expenditure reports on how funds have been used. This will assist the government in performing an oversight function on behalf of the beneficiaries. This should be included as one of the requirements for an NGO to operate in Malawi.

Second, the government, through district structures, should establish mechanisms to orient beneficiaries and local stakeholders on downward accountability mechanisms. This is the case so that beneficiaries are aware of their rights and responsibilities in project programming and implementation. There must be deliberate efforts for projects to focus on the needs of communities rather than imposing them.

Third, donors should commit to providing resources and technical capacity to NGOs to ensure that they can support downward accountability initiatives. Most NGO respondents expressed the desire to engage beneficiaries in the accountability mechanisms but are restricted by donors and limited resources. Therefore, it is important for donors to also prioritise downward accountability as one of the milestones for NGOs. For instance, donors can provide resources to enable NGOs to have continuous engagements with their beneficiaries through project entry meetings, review meetings and feedback sessions. Further, they should also provide technical capacity to the NGOs they are funding on how to simplify information that suits the community beneficiaries.

Donors should also incorporate downward accountability mechanisms as one of the requirements for NGOs to access funding. As NGOs strive to provide reports to donors, they should also strive to be accountable to their beneficiaries as one of the conditions to access funding.

Donors, NGOs, and government should incorporate a community-based approach in accountability mechanisms where the capacity of local communities, for example, traditional leaders, Area Development Committee members (ADC) and other community gatekeepers, can be enhanced so that they can summon and question NGOs and other actors to account for their actions in their communities. In this case, communities will have powers and question NGOs that seem to be not accountable for their projects. Donors and NGOs need to understand community capacity and needs and should design projects that meet beneficiary needs and their capacity to support the projects. As proposed by stewardship theory, NGOs should indeed work as stewards in the community in order to build trust between them and the beneficiaries that they are working with. In so doing there will be easy sharing of information and corroboration during project cycle processes from implementation to evaluation of projects.

It is also recommended that community structures (Area Development committees, traditional leaders) and other community gatekeepers should be vigilant in demanding accountability from NGOs. Furthermore, they should also encourage community members to avoid having monetary expectations from NGOs. Communities need to have information and be aware of their entitlements from NGOs operating in the area. There should be trust between NGOs and beneficiaries on activities and what is expected from the project implementation. This will ensure that there are no misconceptions between NGOs and beneficiaries.

This will also ensure that communities are not demanding too much from the NGOs in terms of allowances and other material things since they will be aware of the rules that govern the project. Community members should consider NGOs as development partners in their communities since they are the ones who benefit from the NGOs' projects. In this regard, they should strive to be actively involved in the design, implementation, and evaluation of project interventions. This will ensure that projects are sustainable as communities will provide leadership over project implementation. Further NGOs will start considering them as having equal powers.

5.4 Areas for further study

The current study focussed only on external factors that facilitate downward accountability. Therefore, the study proposes a study that explores internal factors such as NGO governance systems and organisational culture, as predictors of downward accountability. Secondly, since the current study was conducted when the 2022 NGO Amendment Act had just been assented into law, it would also be important to conduct a study to determine the effectiveness of the new law in promoting accountability. Furthermore, it is suggested that research should also be conducted on the effect of beneficiary expectations on project activities vs. project sustainability.

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APPENDIX

QUESTIONNAIRE

Factors influencing downward accountability in the NGO sector in Malawi

My name is **Ellen Dossi**, a student at the **University of Malawi** pursuing a Master of Arts degree in Public Administration and Management. In partial fulfilment of the requirements for the award of the degree, I am conducting research titled "**Examining the Factors Influencing Downward Accountability in the NGO Sector in Malawi".** Based on your status as an NGO worker, I would like to invite you to participate in the study by responding to the questionnaire. The information sought is strictly for academic purposes and will be treated with the utmost confidentiality. The survey will take you 15 minutes to complete. For the current study, downward accountability refers to **"organizations being accountable to their target communities and groups**. It is a shift from seeing the affected population simply as beneficiaries to viewing them as key partners and stakeholders in their own path to a thriving life. "Thank you for your participation.

Do you agree to participate in the survey and to the use of your survey responses as described above

①Yes

②No

SECTION 1: Respondent details

1. What is your position in the NGO? ____
2. For how long have you worked for the NGO? ________________________________
3. Gender: ① Female ② Male
4. Marital status: ① Single ② Married ③ Partner ④ Others

5. How old are you?1 Less than 30 years 30 to 35 years 36 to 40 years 41 to 45 years 46 to 50 years 51 years and above
6. Highest educational status: ① Secondary/high school 2 College Certificate ②College diploma ③ College/ University degree ④ Masters ⑤ Doctorate

SECTION 2: Organization Profile

1. **Area of operation**

   ① Local NGO (Only Operates in Malawi) ② International NGO (Operates in other Countries as well)

2. **The area of focus of your NGO (you can choose multiple options)**

   ① Human rights ② Health and sanitation ③ Agriculture/food security ④ Education ⑤ Gender issues ⑥ Girl/Women empowerment ⑦ Child protection/youth empowerment ⑧ Environmental protection ⑨ Social accountability/anti-corruption
   ⑩ Others (specify) ____________________________________

3. **For how long has the NGO operated in Malawi?**

①1 to 5 years ②At least 5 years but less than 10 years ③ At least 10 years but less than 15 years ④ More than 15 years

4. **Scope of operation**

   ① Local NGO (with headquarters in Malawi) ② International NGO (with headquarters outside Malawi)

5. How many employees does the Organization employ? (Please if possible, indicate gender, male/female distribution)

Section 3: State regulation

On a scale of 1 (strongly disagree) to 5 (strongly agree), how much do you disagree/agree with the following statements regarding the government's/stakeholders'

regulations/actions regarding your organisation's accountability efforts? Please enter one answer for each statement.

State regulation		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	The Government of Malawi has stricter regulations regarding downward accountability of NGOs	1	2	3	4	5
2.	The Government of Malawi has more effective regulations to encourage NGOs to be accountable to their beneficiaries and other similar stakeholders	1	2	3	4	5
3.	The current government regulations on downward accountability are very complete	1	2	3	4	5
4.	There are complete laws and regulations to ensure downward accountability and transparency by NGOs	1	2	3	4	5
5.	Our NGO tries to reduce the threat from government regulators by implementing downward accountability practices	1	2	3	4	5
6.	Government regulations (on NGO accountability) are important for our NGO to implement downward accountability practices	1	2	3	4	5
7.	The increasing consciousness about NGO accountability has spurred our NGO to implement downward accountability practices	1	2	3	4	5
8.	Stakeholders may not support our NGO if we do not implement downward accountability practices	1	2	3	4	5
9.	Being accountable to beneficiaries is a basic requirement for our NGO to operate in our field/area of practice	1	2	3	4	5
1(	Stakeholders that work with us expect NGOs in our area/field of practice to implement downward accountability practices	1	2	3	4	5
Section 4: Donor Influence- On a scale of 1 (strongly disagree) to 5 (strongly agree), how much do you disagree/agree with the following statements regarding donor influence on your projects/accountability efforts? Please enter one answer for each statement.		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

1.	Donors are often involved in the supervision and monitoring of our projects that they (the donors) have funded	1	2	3	4	5
2.	As an NGO, we agree with the policies put in place by donors on our accountability to the community/beneficiaries	1	2	3	4	5
3.	Our donors decide what projects we should implement using their funds	1	2	3	4	5
4.	Our donors have explicit requirements regarding reporting to the beneficiary community on resource use and project outcomes	1	2	3	4	5
5.	The donor agencies require that our projects should be audited regularly	1	2	3	4	5
6.	The donor agencies require the implementing partner to use a particular auditing system	1	2	3	4	5
7.	Donors' disbursement of project funds requires accountability from us	1	2	3	4	5
Section 5: Downward accountability- On a scale of 1 (strongly disagree) to 5 (strongly agree), how much do you disagree/agree with the following statements regarding your organization's accountability to communities or project beneficiaries? Please enter one answer for each statement.		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	We allow our beneficiary communities to decide on the projects to be offered/implemented in their area	1	2	3	4	5
2.	We often involve the beneficiary communities in project decision-making	1	2	3	4	5
3.	We share our funding sources with the beneficiary communities	1	2	3	4	5
4.	We share progress reports about projects with our beneficiary communities	1	2	3	4	5
5.	We frequently share our audited financial reports with our beneficiary communities	1	2	3	4	5
6.	Our NGO ensures that funds are used properly and, in the manner, authorized	1	2	3	4	5
7.	We openly receive monitoring visits from funding and oversight agencies	1	2	3	4	5

8.	We allow auditors to examine reports being submitted to donors	1	2	3	4	5

<u>Qualitative questionnaire</u>

What are the challenges that NGOs face in their quest to address downward accountability?

1.Which NGO are you working for?

How long have you been working in an NGO in Malawi?

2.What are your NGO, s area of focus?

3.How many districts are you operating in Malawi?

4.Have you ever encountered any challenges in those areas you are working?

5.Do you share reports and budget with your beneficiaries?

6.Do you share the source of funding with your beneficiaries?

7.Are there any challenges you face when engaging local gatekeepers and communities?

8.Do you engage the community members and leaders in program implementation?

9.Do you provide feedback to the beneficiaries during and after implementation of your programs?

10.Have you ever been questioned by beneficiaries on issues related to program implementation?

11.What are the challenges you face with beneficiaries that you work with?

12.Any other final comments you would like to share?

THANK YOU FOR YOUR TIME