Models of NGO Self-Regulation: Theory and Evidence from Africa

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Abstract

Nongovernmental organizations (NGOs) play an increasingly important role in public service provision and policy making in sub-Saharan Africa, giving rise to needs for new forms of regulatory oversight of such entities. In response, a number of initiatives in NGO self-regulation are taking place in Africa, a region not typically noted for its institutional innovation. This paper examines the emergence of these initiatives through cross-national data on 20 African countries and three case studies. Self-regulation in Africa falls into three types: national guilds, NGO-led clubs and voluntary codes of conduct. National guilds have the advantage of providing regulatory coverage for the entire sector, but are difficult to establish because they require strong pre-existing collective action institutions and good-faith cooperation on the part of governments. Voluntary clubs are increasingly prevalent; clubs have stronger standards and regulatory power that guilds, but typically have much weaker coverage. Voluntary codes are the most common form of self-regulation, but have the weakest regulatory strength.

Key words: Self-regulation; non-governmental organizations (NGOs); collective action; accountability; Africa.

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1. Introduction

The growth in scale and scope of nongovernmental organizations (NGOs) around the world has been accompanied by growing governance and regulatory challenges for governments, NGOs and donors. In many countries, but particularly in sub-Saharan Africa, NGOs provide an increasingly large portion of social services to the public through a complex network of contracts, donor support and private initiatives. NGOs have also become increasingly important political actors and at the national and transnational levels. Concurrent with this rise in NGO activity, many governments have experienced declines in regulatory capacity that have reduced their oversight capabilities. In many countries, these trends have led to new forms of regulatory governance that rely less on command and control mechanisms than on contracts, networks and other collaborative arrangements (Brinkerhoff and Brinkerhoff, 2002; Milward and Provan, 2000). In Africa, these challenges have resulted in two regulatory trends: governments increasingly propose stronger centralized regulatory rules for NGOs, but without capacity for enforcement, and NGOs experiment with systems of private self-regulation.

In spite of the increased interest in accountability and oversight of NGOs and other non-state actors in public service provision and advocacy, there have been few systematic efforts to understand the institutional forms that are arising in developing countries to meet the governance challenges posed by increased NGO activity (see Batley and contributors, 2006 for a recent review of trends). This paper addresses this gap by developing a theoretic framework through which the institutional structure and effectiveness of models of self-regulation can be understood. The empirical focus is on sub-Saharan Africa, a region where NGOs play substantial roles in public life through the delivery of critical public services as well as through advocacy and activism, but where government-civil society relationships have often been
characterized as collusive or patrimonial (but see Goldsmith, 2002, for an alternative view). This paper analyzes the emergence of self-regulation in Africa and shows how self-regulation efforts fall on a continuum bounded by two forms: national “guilds” consisting of a collaborative arrangement between governments and NGOs and voluntary “clubs” that are NGO-led private efforts at self-regulation. Effective guild-based self-regulation has the advantage of wide regulatory scope but requires the public sector to delegate some form of regulatory authority to a non-state entity; the resulting regulatory standards are often quite weak. Private voluntary clubs can often establish higher regulatory standards, but will have lower participation and require NGOs to design mechanisms to police each other. Both of these systems have fairly strong institutional requirements. Not surprisingly, the form of self-regulation that most commonly emerges in Africa is a weaker third form, the industry code of conduct, a form of self-regulation that is easier to develop but significantly weaker in regulatory strength.

The paper proceeds as follows. Section 2 presents the theoretic framework and develops a typology of self-regulatory forms. Section 3 documents the forms of self-regulation that are emerging across 20 countries in Africa, then presents three case studies to illustrate the institutional design and effectiveness of each form. The final section concludes.

2. Models of Self-Regulation

Self-regulation initiatives among NGOs are on the rise. Lloyd (2005) documents 24 different initiatives globally and Sidel (2003) documents 17 country-level efforts at NGO self-regulation in Asia alone. A surprising number of NGO self-regulatory initiatives have emerged in Africa, a region not typically noted for its institutional innovation. The impetus for self-regulation in Africa is the result of several trends. First, external aid to NGOs in Africa
increased dramatically over the last two decades. As a consequence, many donors and international NGOs found themselves searching for local “partners,” but with limited means to judge the quality of potential partners. In addition, well publicized cases of corruption and misuse of funds began to threaten the reputation and funding of legitimate organizations. Information asymmetries plague NGO relationships with key donors and government. These stakeholders rarely have the ability to verify that NGOs are using their funds appropriately and implementing projects as promised. A lack of transparency and systematic reporting requirements mean that donors are unable to distinguish high quality NGOs from low-quality ones, a situation that can result in lower levels of funding and more onerous reporting requirements for those NGOs that do receive funding (Ebrahim, 2005; Borstein, 2003.)

The growth of NGOs also confronted African governments with several challenges. On the one hand, many governments viewed NGOs as competitors, fearing that funding for NGOs would crowd out funding for public services. On the other, governments became increasingly dependent on NGOs for public service delivery and needed new ways to manage relationships with these organizations, particularly since many regulatory frameworks dated back to the colonial era and were inappropriate for current conditions. In many countries, a kind of policy schizophrenia emerged in which countries proposed more expansive or repressive regulatory frameworks, but without the capacity to implement or enforce them (Batley, 2006). NGOs worried that these new regulations could be used as a political tool to manage dissent. Over the period 1990-2007, new NGO legislation was proposed in at least 15 sub-Saharan African countries and was highly contested by NGOs and civil society activists in at least nine cases (Gugerty, 2007).
Thus the threat of additional government oversight, combined with the need to signal credibility to donors, provided NGOs with strong incentives to develop systems of self-regulation. The inability of governments to exercise regulatory oversight made some states willing to consider new private forms of regulation and self-regulation programs began to emerge across the continent as one alternative regulatory form.

The term self-regulation is used here to refer to a set of institutions in which standards and rules of conduct are set by an industry-level organization, rather than at the governmental or firm level (Gunningham and Rees, 1997). The goal of these institutions is to develop mechanisms that shape or constrain organizational behavior in order to provide a signal of organizational quality to key stakeholders (Darnall and Carmin, 2005; Prakash and Potoksi, 2006). Self-regulatory regimes may be fully private, that is, may operate without any authority from or coordination with the state, or may involve some public-private coordination or delegation of authority to non-state actors. Thus self-regulatory regimes can operate either as a substitute for or a supplement to government regulation.

Self-regulation, because it does not operate with the force of law, presents critical problems of collective action for participants. The informational signal provided by self-regulation is a public good for participants: all participants benefit from the positive reputation and none can be prevented from enjoying it. Thus participating organizations have incentives to ‘shirk’ and avoid compliance with costly standards while enjoying the benefits of enhanced reputation. To be effective, self-regulation regimes must provide benefits that make it worthwhile for organizations to join as well as ensure that they adhere to the standards that are set.
One theoretic perspective suggests that collective action can be maintained through norms, coercion or mimetic processes (DiMaggio & Powell, 1991; Scott, 1995). Recent work on transnational networks and associations has also emphasized the important role of shared values and norms in maintaining transnational collective action among NGOs (Keck and Sikkink, 1998). While professional norms and mimetic pressures may play a role in mitigating shirking among NGOs, they are unlikely to be fully credible to outside stakeholders. Moreover, professional standards among NGOs are often weak and contested (Hopgood, 2005; Borstein, 2003). In the absence of normative or mimetic pressures, the design of institutions can help to foster collective action (Ostrom, 1990). From this institutionalist perspective, self-regulatory systems must develop incentives that make it worthwhile for organizations to join and bear the costs of participation, but must also develop monitoring and enforcement mechanism that are credible enough to affect organizational behavior (King and Lenox, 2000; Olson, 1965).

The institutional design of self-regulation consists of two mechanisms: clear standards for entry into the system and the behavior to be regulated; and credible enforcement systems that include monitoring and the ability to detect and sanction non-compliance. Standards consist of the rules governing entry and the actual content of the regulatory regime. Entry could be via training or professional accreditation, or may be more open. The content of standards may also vary widely. Codes of conduct may specify broad aspirational goals toward which a group might aspire; may provide guidance on particular procedures and practices to be followed; or may be more regulatory, specifying detailed rules to guide conduct and particular performance targets that must be achieved (Frankel, 1989). The stringency of standards plays an important role in creating incentives for participation. Strong, specific standards may be difficult to agree upon and can discourage participation, but will create more powerful signals of quality for
stakeholders (Darnall and Carmin, 2005). More lenient standards will create a more attractive program for potential participants, but will not be as effective in distinguishing high quality from low-quality NGOs.

Enforcement includes three potential features: the specification of monitoring and other forms of performance measurement, the rules governing disclosure of monitoring information, and the specification of sanctions in cases of non-compliance. Monitoring can range in strength from self-reported verification to more stringent, peer- or third-party verification systems in which experts outside the organization certify compliance. Regimes also vary in the amount of public disclosure required of participants. Sanctions can range from fines, to public sanctions to expulsion. Stronger monitoring can be expected to produce a more credible signal about participant quality, but stronger monitoring increases the cost of participation for organizations, potentially limiting program participation.

A self-regulatory regime could in principle be constructed from any combination of standards and enforcement. Empirically, three forms appear to dominate: the national ‘guild,’ the voluntary ‘club’ and the industry code. National guild systems are typically collaborative NGO-state arrangements loosely based on the idea of the guild. A guild can be thought of as a form of professional self-regulation that exercises a monopoly over entry into a profession or industry. Admittance to the guild is a pre-requisite for operation and the guild association itself sets the standards for admission. In national NGO guilds, the government sets the mandatory membership requirement for all NGOs, usually as a condition of registration. Establishing a national guild system requires governments to cede some powers to the NGO association charged with regulating entry and standards. Governments might be willing to do this to elicit full regulatory coverage.
But guilds are only as strong as the standards they can set and enforce. Traditionally guild systems have relied on extensive professional training and testing to set high standards for admission. This training helps to build strong professional standards and norms that create legitimacy and a rationale for professional autonomy that can substitute for outside legal regulation (Page, 2006; Romzek and Dubnick, 1987). Because they establish high professional standards, guilds can function with less stringent monitoring systems, relying largely on complaints to identify members who are not in compliance. Thus professional codes of conduct often consist of aspirational goals and process-oriented rules, rather than detailed standards or outcome-oriented measurements (Frankel, 1989).

An alternative regime is the voluntary regulation “club.” Voluntary clubs are NGO-led associations that create a set of standards, reporting requirements, and monitoring mechanisms to which participating organizations agree to adhere. By so doing, clubs provide participants with a positive reputation or signal of quality (Prakash and Potoski 2006). Unlike guilds, clubs possess no delegated monopoly over entry. Clubs must therefore design standards that NGOs will be willing to meet, but are also sufficiently strong to send a signal about organizational quality to donors and governments. For such a signal to be credible, clubs must be able demonstrate that participation in the club affects organizational behavior. Clubs can do this by setting high standards and by creating processes that screen entrants such as certification or accreditation. Clubs also need to develop monitoring mechanisms and sanctions for non-compliance. The literature suggests that clubs are most likely to be effective and credible when they have sufficiently clear and enforceable standards combined with credible monitoring and sanctioning mechanisms (Potoski and Prakash, 2005).

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2 Examples in the environmental field include ISO 14001, the Forest Stewardship Council, and EPA programs such as 35/50. Other examples include fair labor practice programs, such as the Fair Labor Standards Association.
An alternative, weaker form of self-regulation with fewer institutional requirements is the industry code of conduct, typically developed and sponsored by an industry association. Unlike a guild or voluntary club, industry codes have no barriers to entry, apart from participation in the industry. Reporting is typically via self-certification to an industry association, rather than to a third party organization or to the public, but the stringency of standards and reporting can vary widely from system to system. These codes can be national in scope, or organized by industry or policy area. The span of codes is often determined by the scope of the sponsoring association. Evidence from environmental self-regulation programs suggests that such industry codes will be less able to affect member behavior than other forms of voluntary regulation in part because industry associations do not have strong incentives to reveal poor performance among members (King and Lenox, 2000).

Table 1 summarizes these three stylized forms of self-regulation according to their key features. All forms of self-regulation are dependent on the production of credible information, or reputation, as the glue that holds the self-regulatory system together. Reputation in guilds is built through training; professional socialization and strong professional norms form an important part of the compliance system. Unlike guilds, clubs cannot rely on normative pressures or common professional training to specify standards of conduct or support compliance; clubs must therefore set clear standards and develop strong monitoring systems to be effective. Both guilds and clubs therefore require relatively strong institutional structures to have effective regulatory power. These institutional requirements explain why, as discussed further below, industry codes are the most prevalent form of self-regulation among NGOs. Codes often have broader standards and weaker enforcement, making them easier to construct than either guilds or clubs.
3. The Emergence of NGO Self-Regulation in Africa

How prevalent is self-regulation in Africa and what forms does it take? To address these questions data was gathered on self-regulation initiatives in Africa during the period 1990-2007. Sources included public records, organizational documents, websites and the secondary literature. Data were available for twenty sub-Saharan countries; operational self-regulation systems were identified in ten of these countries.\(^3\) Table 2 indicates the countries with self-regulatory systems by type of system. To qualify as a self-regulation regime, programs had to include at minimum: 1) a written, collective code of conduct or other set of standards that 2) participants make public commitments to adhere to and that 3) include some form of monitoring, with the minimal requirements being some form of institutionalized complaints mechanism.

Table 2 indicates that industry codes are the most prevalent form of self-regulation among those countries with identified programs. Kenya stands alone in following the guild model. Six countries have established industry codes that include some minimal level of monitoring or enforcement. Three countries have developed, or are in the process of developing, voluntary clubs. Ethiopia has developed a voluntary club sponsored by the largest NGO umbrella association in the country. Uganda and Ghana are in the process of development voluntary clubs using a certification model.

What are the strengths of weaknesses of each form and how do they emerge? The next section examines three cases of self-regulation, one of each type. The empirical data is drawn from three African cases: Ethiopia, Kenya and Botswana. Data were collected on the emergence

\(^3\) In total, there are 47 countries in sub-Saharan Africa that are eligible for World Bank lending. Countries that experienced prolonged governmental collapse or conflict during 1990-2005 were excluded from the sample; this criterion excludes six countries. Very small island nations are also excluded, which excludes an 4 additional countries. Insufficient data were available to evaluate the 17 remaining countries. Francophone Africa is particularly under-represented.
and form of self-regulatory systems in each country based on extensive in-country interviews, reviews of the voluntary program documentation, and reviews of the secondary literature.\footnote{Twenty-seven interviews with senior NGO managers, donors, and governments were conducted in Ethiopia and Kenya during 2004-06 using a semi-structured survey instrument; information on Botswana’s system is taken largely from government documents and secondary sources.}

\textit{The National Guild System - Kenya}

The emergence of self-regulation in Africa, as in many other regions, has taken place in waves. The first wave, during the early to mid-1990s was largely initiated by events in Kenya, which was the first country in Africa to wrestle formally with issues of self-regulation. The current system is the outgrowth of a three-year process of contestation and consultation between NGOs and the Kenyan government over the promulgation of rules and regulations governing the sector (Adiin-Yaansah, 1997; Ndegwa, 1996). The result was the creation of the National Council of NGOs, formed by an act of parliament and given independent powers to develop its own governance structures and code of conduct (Adiin-Yaansah, 1997). The Council developed the NGO Code of Conduct that was established as Legal Notice no. 306 in 1995. All NGOs in Kenya are required to be members of the NGO Council and to abide by the provisions of the code upon registration with the government. The legal notice establishes a regulatory committee as a quasi-judicial tribunal charged with the promoting the code and monitoring adherence to it. The committee has seven members, five of whom are elected by the General Assembly every two years. The code of conduct itself is quite broadly framed and aspirational in nature. It sets out seven ‘cardinal values’ that all registered NGOs are required to observe. These include: probity, self-regulation, justice, service, cooperation, prudence and respect. Any person is allowed to bring a case against a registered organization, and the code sets out trial-type proceedings that are to be followed when a complaint is lodged. The status and outcome of all
cases are published in the NGO Council newsletter. If an NGO is found to be violation of the code, the Regulatory Committee can verbally sanction the organization, recommend to the NGO Board that it be de-registered, or the general assembly can levy a fine or recommend suspension. The defendant can appeal any decision to the general assembly.

The Kenyan system has several advantages. Participation is mandatory so the code governs all NGOs registered with the Kenyan government. Although the process of developing the system was protracted, the long negotiations ultimately meant that NGOs, donors and the state all had a strong stake in the resulting arrangements. In addition, because the government was ultimately willing to grant the National Council independent powers, the Council began with broad support and recognition from both NGOs and donors in Kenya. The Council has strong sanction powers and can recommend de-registration directly to the government NGO Board.

The system also has a number of significant weaknesses. Because all NGOs are bound by the code simply by the process of registering, the act of ‘signing on’ to the code is passive, rather than active. The code does not include any reporting requirements. In addition, since membership is mandatory, the system cannot provide a strong signal of organizational quality as it does not distinguish participants from non-participants. The Council has also struggled to ensure that NGOs are fully educated on the provisions of the code and their obligations under it. It is also not clear to what extent the public is aware of the code and their rights to bring a case against an NGO. The Council itself suffers from low resources and capacity. Participation fees are collected from only a minority of members, and regardless, would not be sufficient to maintain the council’s operational capacity. Funding for the organization was not granted by the act establishing the Council, thus the Council has been reliant on donor funding, which at times has been low.
The regulatory power of the regime also remains weak because it is lacking a key feature of guild authority: the high barriers to entry that result from professional training. Although the NGO Council does have the power to recommend NGO de-registration to the government, giving it powers similar to a professional association’s ability to disbar members, in practice this power is difficult to use for two reasons: first, because NGOs are heterogeneous and engaged in a wide variety of activities, violations of the code will be difficult to detect; second and relatedly, the broad, aspirational code makes it difficult to identify appropriate reporting standards or violations.

A Voluntary Club: Ethiopia

Ethiopia is perhaps the best example of a relatively long-standing club system in Africa. The Ethiopian ‘club’ consists of a code of conduct developed collaboratively by Ethiopian NGOs but sponsored by the largest NGO association in the country, the Christian Relief and Development Agency (CRDA). The code was the result of the work of an ad hoc working group led by CRDA that consisted of representatives appointed from four NGO associations and two international NGOs. The original intent of the code was to establish a general assembly of signatories who would elect a Code Observance Committee charged with monitoring adherence and hearing complaints. In practice, setting up such a separate body appeared to be a strong barrier to implementation, and so the code observance committee was housed at CRDA, as the largest, most representative NGO agency (CRDA Interview, 2004). The code itself is a mix of aspirational values and a number of verifiable financial and management practices, including providing publicly available annual reports and audited financial statements.
All new CRDA members are required to sign onto the code upon joining. CRDA has a fairly strong screening process for new members and a waiting list of nonprofits waiting to join since membership in CRDA confers important benefits, among them legitimacy, access to donor funding, and a large range of support services. The Ethiopian code thus functions as a voluntary club that provides a reputational benefit to NGOs, because participants are clearly distinguished from non-participants, providing a signal about NGO quality to donors and to the government.

The strength of the Ethiopian system lies in the strength of its sponsoring organization, which has high capacity and a strong funding base. Nonetheless, the system also displays some weaknesses. Although organizations are vetted upon joining CRDA, there is no on-going reporting or monitoring system to ensure that NGOs abide by the system, nor does the complaints system appear to function well, except in cases of egregious violations. An additional weakness of the Ethiopian system is that although it covers a good number of NGOs, it does not cover them all, and CRDA membership is typically limited to larger NGOs that operate nationally or across large regions of the country. But this is a feature of any club system, which must limit membership in order to provide credible signals about nonprofit quality.

The Industry Code - Botswana

One prominent example of an industry code of conduct is Botswana Code of Conduct, launched in 2001 under the auspices of Botswana Council of NGOs (BOCONGO), a national NGO association. BOCONGO itself was formed in 1995 as the main NGO umbrella association in Botswana, with donor funding and encouragement and the cooperation of the state. The Botswanan code is a hybrid of the forms examined here: it was formed with strong state participation and support but is maintained by the NGO association.
The code was developed through a consultative process guided by a reference committee composed of NGOs, donors, and government officials. The code was developed in tandem with a national policy on NGOs, which also included extensive NGO participation (Carroll and Carroll, 2004; Kaunda, 2005). The code itself is aspirational in nature and is designed to set a ‘prevailing standard of moral and social behavior.’ The code sets out guidelines governing values, governance, transparency, accountability fundraising and financial and human resource management. No specific standards or required processes are set forth in the code. BOCONGO serves as the secretariat for the code of conduct.

Since the code sets out broad guidelines, rather than specific standards for behavior, a detailed system for operationalizing the code was not developed at its inception. Thus there are neither reporting requirements for NGOs, nor any monitoring provisions. The code clearly states that complaints can be brought against NGOs, and notes that the NGO Task Force will hear these complaints, but no specific mechanisms for complaints are given in the code itself.

The Botswana industry code has several advantages. Because it was developed in concert with, rather than in competition with, government, it coheres with national NGO policy, has the support of the Botswanan government, and applies to all NGOs operating in the country. Its principles and mandate are fairly broad, making it relatively easy to reach consensus on its provisions among NGOs. The main weakness of the code lies in the lack of clear reporting, monitoring and enforcement mechanisms. While the code has a “custodian” committee, that committee is not endowed with any enforcement powers and it is not clear how violations of the code would be detected or complaints lodged. The main benefit of the code, therefore, lies in its potential educative powers for NGOs.
4. Assessing the Effectiveness and Potential of Private NGO Self-Regulation Regimes

This paper began by outlining the institutional characteristics and effectiveness of three forms of self-regulation: the national guild, the voluntary club and the industry code. The emergence and design of these systems were then examined across the sub-Saharan African countries for which data were available. Three case studies highlight the challenges of creating durable private collective action institutions for self-regulation among NGOs. These challenges stem from several sources: first, to be effective, self-regulatory regimes must be able to provide credible information about members. This requires strong forms of collective action, either through strong professionalization, strong standards, or strong support from the state. The national guild relies on high training standards and the development of strong shared norms that foster adherence to particular standards of behavior. The guild also requires some form of recognized or delegated regulatory authority from the state granting a de facto monopoly over entry. Even if the requisite authority can be delegated to the nonprofit sector, as in Kenya, NGO guilds will be difficult to build without greater consensus on norms and standards for NGO training and management. This will be difficult to achieve in a resource-scarce, heterogeneous sector that spans many areas of work. Moreover, NGOs themselves are often resistant to the idea that their work can be standardized or quantified in a comparable way across organizations.

The self-regulatory club requires a collective action mechanism with sufficiently clear standards and effective monitoring and sanctioning mechanisms so that participation provides credible information on member behavior. Signaling requires some form of screening, either at entry or through a robust monitoring and sanctioning system. Many NGO clubs are run by industry associations and the strong incentives for inclusive recruitment among NGO associations can make it difficult to develop credible self-regulatory regimes that rely on the...
ability to screen out or sanction illegitimate or poorly run NGOs except in the most extreme cases.

The analysis here suggests several interrelated avenues for future research and policy. The regimes examined here are all examples of nationally-based, sector-wide programs. An alternative self-regulation regime might be located at the ‘industry’ or sub-sector level. Developing codes among more closely related organizations may allow for easier information flow about organizational practices and may make it easier for normative pressures to affect behavior. In addition, developing specific standards may be easier and more effective if undertaken among closely related organizations. For example Interaction, a U.S.-based umbrella association for humanitarian relief and development NGOs, has developed a PVO Standards and Self-Certification program for all its members. Humanitarian and relief agencies have also developed transnational codes of conduct, including the Humanitarian Accountability Project (HAP-I) and Sphere, although no one scheme has seen widespread adoption and usage. Such systems are unlikely to be able to substitute for government regulation, however, since they will pertain to a minority of NGOs and may not cover all substantive areas of regulatory concern.

NGO self-regulation could also be strengthened through the development of third party certification systems. One model is ISO 9000, which certifies the management practices of commercial firms. A key challenge for this type of system is to devise common measures across diverse NGOs that are specific enough to create information on organizational credibility and to develop the capacity and resource base that would sustain the system. Certification systems are often expensive to develop, maintain and use and many smaller organizations do not have the resources to take advantage of them.
Future research should examine the conditions under which effective self-regulation among NGOs emerges. Research on commercial private authority regimes suggests that both inter-firm or industry structures and state-business relationships can facilitate the emergence of self-regulation (Cutler, Haufler and Porter, 1999). Globalization of the supply chain and the emergence of transnational advocacy on corporate social responsibility have been important drivers of many private regulation regimes—can such factors drive self-regulation in the NGO sector? International aid is a certainly a transnational phenomenon, yet international NGOs have been much slower to adopt joint systems of standards than many private firms. Another important source of variation comes from variation in governmental regimes. Research suggests that state regulatory capacity and structure can impact the development of self-regulation (Newman and Bach, 2004). There are clear variations in state capacity and government regime type across developed and developing countries, but also within developing countries. Future analysis could examine a wider set of cases, illustrating the conditions under which governments are willing and able to delegate regulatory authority and the resulting impact on self-regulatory structures.

Given the increasing importance of NGO activity in social service provision, advocacy and policy-making, concerns with mechanisms to assess NGO legitimacy, performance and accountability are not likely to fade. The development of strong norms and shared standards is a long-term process; in the meantime, critical and immediate challenges facing the sector suggest that incentive-based self-regulatory systems will remain an important policy tool. Taking the institutional structure of these systems seriously can improve the effectiveness of self-regulation which --given the centrality of NGO and non-state provision of services in most developing countries-- has the potential to provide important public benefits.
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National Council of NGOs, Kenya. 2003 Annual Report


### Table 1
A Typology of Self-Regulatory Regimes

<table>
<thead>
<tr>
<th>Standards</th>
<th>Guild</th>
<th>Voluntary Club</th>
<th>Industry Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entry</td>
<td>Barriers through training</td>
<td>Screening</td>
<td>Member of industry</td>
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<tr>
<td>Content</td>
<td>Procedural</td>
<td>Specified standards</td>
<td>Varied</td>
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<tr>
<td>Enforcement</td>
<td>By complaint</td>
<td>Standardized reporting at regular intervals</td>
<td>By complaint</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Type of System</th>
<th>Country</th>
<th>Countries without Self-Regulation Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voluntary Cub</td>
<td>Ethiopia, Uganda (in development), Ghana (in development)</td>
<td>Benin, Burkina Faso, Gambia, Malawi</td>
</tr>
<tr>
<td>National guild</td>
<td>Kenya</td>
<td>Rwanda, Swaziland, Tanzania, Togo, Zimbabwe</td>
</tr>
<tr>
<td>Industry code</td>
<td>Botswana, S. Africa, Nigeria, Namibia, Senegal, Lesotho (in development)</td>
<td>Zambia</td>
</tr>
</tbody>
</table>