The accountability of NGOs in civil society and its public spheres

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Abstract

This paper examines the role that non-government organisations (NGOs) play in providing accountability solutions to environmental, global and social issues. The prominence of NGOs in accountability and civil society research requires evaluation and interpretation to determine whether the aims and objectives of the social accounting project have been achieved. Moreover, the prominence of NGOs in Third World countries fills a void of humanitarian services, but in all nations they have increasingly become potential vehicles for ideology instead of assistance, subject to capture by both sides of politics. Do they fill the void that was the objective of social and environmental accounting? Part of this has included the role and rise of NGOs, which have grown in number and power to fill services that governments are either unable or unwilling to provide. In this respect a new question and a new challenge faces those who would look for the accountability of NGOs in the public sphere – are NGOs doomed to fail by the very environment that made them necessary? The possible role for NGOs can be evaluated by examining alternative ways of thinking about ‘civil society’. This draws together interpretive strategies from philosophers such as Carl Boggs, Craig Calhoun, Timothy Lukes and Charles Taylor. From their work a dialectical thinking is developed and can be used to assess whether NGOs can truly fill the democratic vacuum and contribute towards the good society. More particularly, NGO contributions involve examining connections with accountability in a world in which public intervention and social awareness have been trivialised. A reinvigorated civil society can help to reconcile the role of NGOs to an effective end.

Introduction

It began to worry me, you see, this destruction of fish, this attrition of love that we were blindly bringing about, and I imagined a world of the future as a barren sameness in which everyone had gorged so much fish that none remained, and where Science knew absolutely every species and phylum and genus, but no-one knew love because it disappeared along with the fish. (Flanagan 2002)

Over the past thirty years we have witnessed governmental trends that rely on privatisation and outsourcing of functions which were once the scope of the public sector in satisfying accountability objectives. During this period non-government organisations (NGOs) have risen to prominence as they attempt to fill the accountability vacuum, expanding to provide services that began to have an important impact in the public sphere – in providing services and roles that the World Bank defines as including:
activities to relieve suffering, promote the interests of the poor, protect
the environment, provide basic social services, or undertake community
development. (Operational Directive 14.70)

In wider usage, the term NGO can be applied to any non-profit organisation that is independent from government. NGOs are typically value-based organisations that depend, in whole or in part, on charitable donations and voluntary service. There are hundreds of these organisations in Australia, including the National Farmers Association, the Medal Committee, the Anindiyakwa Land Council, to name a few. These organisations require interpretation and evaluation.

Although the NGO sector has become increasingly professionalised over the last two decades, principles of altruism and voluntarism remain key defining characteristics. According to Bach and Stark (2004), the numbers of NGOs vary according to method used, but all tell a similar story: NGOs of all types have increased dramatically in number and scope in recent years, becoming a component in the fabric of democratic institutions. Indeed, these organisations have begun to satisfy the objectives that guided the social and environmental accounting movements. It will be recalled that the essence of the notion of accounting implied in accountability is based on not simply what Gray et al (1987, 1988) call the middle-ground:

in which the status quo is accepted ... [where] the ambition is neither to destroy capitalism nor to refine, deregulate and/or liberate it. (Gray et al 1987, 1988, quoted in Tinker et al 1991: 29)

This accountability argument differs from the work of Gray et al (1987, 1988), in that it examines whether institutions such as NGOs fulfil the role that was envisaged for social and environmental accounting. The expansion of NGOs has been noted by Bach and Stark (2004), who state there was only a modest presence in the 1970s; however, it is now estimated that they are active in many western countries. In fact, the World Bank estimates that over 15 per cent of total overseas development aid is channelled through NGOs (World Bank 2001; Anheier and Themudo 2002; Union of International Associations 1999; World Resources Institute 2003).

These concerns with the role of NGOs are addressed by examining how we might determine whether accountability relationships between organisations and society satisfy the objectives of a civil society. More particularly, these objectives can be examined by determining the role that NGOs might play in the creation of an open and accountable world order. These are important issues for accountability research because NGOs are assumed to fill an ethical void in civil society and contribute to the common goods that facilitate ethical life. However, if we cannot agree on their role in civil society how can we determine their effectiveness? How an NGO might have the greatest chance of fulfilling its proper mission is the key aim of this paper, and this involves arguing three interrelated issues (Taylor 1986). They are:

- Accounting has a public interest role in how this could be achieved, but has retreated from it.
- The dominant strands of accounting theory influence NGO research, for better or worse, and left unattended and unevaluated the influences are likely to be far worse.
• NGOs should provide common goods and they should then deliver on these objectives, enriching the democratic process.

In responding to these problems this paper is based on the supposition that NGOs are important to society and must be made to work if society is to survive and prosper. But without a full analysis of their role in civil society, it is possible that they will be captured by external forces, including but not limited to economic logic that guides a corporate mandate to maximise outputs and minimise costs. That is, economic interpretations of the role of civil society have proven durable in their ability to absorb and deflect reform objectives (Tinker 1981; Tinker and Gray 2003). While accounting and accountability theory has been extended to provide additional social and environmental information, there has been little work done on its role in the public sphere and the role that NGOs might play (Laughlin 1987).

As a result NGOs might be doomed to fail by the nature of the environment that made them necessary. These issues are explored in four sections in this paper, the first section beginning with some of the problems that NGOs address in civil society. The second section focuses on the democratic role of NGOs in civil society including a series of significant factors for accountability research: the role of collective goods, democratic participation, issues of community, citizenship and the role of the state. The third section offers a critical perspective using dialectical methods to interpret NGOs and whether dominant economic strategies necessarily shape it (Cohen and Arato 1992). The fourth section develops a dialectical thinking to offer interpretive ways forward for civil society – it offers a framework to interpret and critically evaluate strategies to form the basis for political regimes that are just, fair and appropriate for their time.

NGOs, critique and accountability

In the late 1990s and first years of this century the social movements that arose in the 1960s and 1970s have come under attack from conservative governments which have a corporate mandate (Boggs 1997). As a result, from the late 1970s the public sphere has slowly been in decline and NGOs have acted to fill this gap (Habermas 1993, 1993b, 1997). Social movements, together with their structured form as NGOs, have formed structures such as the World-Wide Fund for Nature and the anti-globalisation movements, which have been active and effective in many respects, despite being under attack from a conservative tide. The conservative tide is expressed and reflected in the speeches of neo-conservative leaders such as Blair, Bush and Howard to whom the criterion of accountability is a distant shore. However, in failing to examine their accountability obligations important issues associated with the provision of common and public goods to society are never addressed.

Furthermore, the key question is whether NGOs deliver on their claims to civil society. It involves determining whether NGOs offer full solutions to some of the social problems that follow from free-market-based reforms (Gray 2002). This tide has not fully engaged with the social issues implicit in civil society research because it is infatuated with markets that function effectively (Williams 1987, 2002). This analysis is important because the role of NGOs as accountability mechanisms in civil society has been under-theorised and some of their weaknesses have not been explored. This is because economic and political factors have prevented common agreement on the role
and definition of NGOs. As a result, NGOs are unregulated and unelected institutions in civil society.

At a very general level, it can be argued that NGOs are responding to this democratic deficit by creating think tanks, publishing critical work and thereby providing space for more debate in the public sphere. At a deeper democratic level, we need to know whether NGOs are contributing to the public sphere and this involves examining the fabric and structures in which they operate – this is the arena known as civil society research. In the expansive civil society literature, as Taylor and Trilling have pointed out, this cannot be carried out by learning ethical rules by rote and developing more procedure. What is required is a democratic structure that appropriates these ideals with authenticity – where authenticity involves making these democratic values our own, shaped as they are by the practices that operate in a civil society. This approach aims to determine whether NGOs contribute to that common ground that is based on humility and respect towards others and the natural environment. Reconciliation, moreover, involves a dialectical process of mutual engagement between the ontological and advocacy levels and therefore does not privilege any one particular source of the self.

In making a civil society a democratic polis the criterion of accountability is affirmed and developed; on such a view, NGOs do not act on their own but in a public sphere where the rules are publicly agreed upon. Yet the dominant conception of accountability is that of a well-functioning economic system where civil society is assumed to mirror these processes. The economic conception of civil society implicitly assumes that corporations can continue their operations if they satisfy accountability obligations in terms of market efficiency. Accountability principles include openness, transparency and community closeness, as they affect civil society debates. While these principles of accountability are critical, this paper argues that, without a full analysis of the democratic, dialectical and interpretive aspects of civil society research, it is difficult to determine whether the accountability principles are satisfied (Cohen and Arato 1992; Keane 2003).

To begin the accountability process, it is necessary to examine the role and function of NGOs. In this regard, the work of Carl Boggs and Timothy W Lukes revealed some of the problems that NGOs face. In particular, Lukes analysed the processes that have commodified the World-Wide Fund (WWF), which illuminate some problems given our reliance on an economic conception of accountability and civil society. An overly economic focused understanding of civil society has the potential to ignore important democratic channels of communication that affect legitimation processes (see Mouck 1995; Lehman 1995, 2004; Gray 2002). These important accountability and democratic debates involve the role that NGOs might play in filling a space in the democratic public sphere. Here, NGOs such as Social Audit Ltd, the World-Wide Fund for Nature (WWF) and Earth First! have attempted to fill a gap in the democratic function of accounting and accountability research by performing roles that would once have been performed by the public sector. They have:

- expanded the public sphere to include new voices;
- provided additional information to stakeholders;
- offered an outsourcing service to government; and
- allowed organisations to communicate in entirely new ways.
Given that these new organisations exist and operate, it is important to assess whether they satisfy the accountability objectives of a civil society. Critical and philosophical theorists – including Carl Boggs, Timothy W Lukes and Charles Taylor – have in their different works claimed that these are important issues given the conservative attack on progressive politics which requires interpretation and resistance. The conservative onslaught has resulted in an anti-political culture, as Boggs has noted:

[T]he most urgent question concerning the ascendancy – and inflated claims – of modern technological culture is: what can democracy and community mean in a setting where ongoing public intervention and decision-making are so trivialised. (Boggs 1997: 777)

The issues identified by Boggs involve not only examining the role of a civil society, but how institutions in it might function. While NGOs have been seen to be potential key actors in civil society these arguments have not engaged with the limitations of the public sphere as identified by critical theorists such as Boggs, Esposito et al, and Bach and Stark, to mention but a few.

In addressing these limitations, it is important that some of the adverse affects associated with NGO research be given a greater prominence in the evaluation of the criterion of accountability. These problems with NGOs are submerged probably because NGOs have been seen as valuable vehicles in fulfilling roles once the sole ambit of the public sector. From liberal quarters it is argued that NGOs might reduce levels of environmental and social risk in civil society, while from postmodern perspectives NGOs can offer a voice to marginalised others which has the potential to satisfy their intuitions.

However, while NGOs may make a valuable contribution, there has been very little critical comment on them (Lukes 1997). The efficiency and effectiveness of some NGOs, such as the WWF, have been severely criticised:

In spite of the American WWF’s very respectable record of environmental actions, one must consider what kind of actions are being taken, how its protections have been constructed and which environments around the world will be safeguarded and why? Criticizing any group as respected as the WWF is difficult, or even personally threatening, for many people. In a complex and frustrating world in which one ‘just has to do something’ to protect Nature, what many people have done is write a large check every year for the WWF-US, and then proudly put its panda logo on their office door or car bumper. Yet, because this monetary contribution often buys dearly needed penance, few ask what happens next? (Lukes 1997: 31).

From this perspective it can be argued that NGOs are susceptible to capture by dominant groups motivated primarily by economic considerations. Furthermore, such an argument framework overlaps with aspects of Marxian political economy in its explanation that economic logic and values have been able to assimilate attempts to reform capitalism. Therefore, a key problem with NGOs is that they are susceptible to capture by the very same system that they aim to reform.
The assimilating logic of economic structures has often been referred to as ‘commodity fetishism’, which means the reduction of social values to economic and utilitarian calculations. The accountability issue that follows from these concerns involves determining whether NGOs can escape the logic of corporate control and remain true to their original objectives. Namely, can they contribute to the construction of a viable civil society, while remaining accountable to that civil society? Another aspect of the role of NGOs is that they can fill a gap in democratic debate, and thereby promote a less divided society. At the same time, how does one include accountability to promote closeness and transparency? If these principles can be advanced and satisfied then it is possible that NGOs can align their objectives with the broader aims of society.

With these issues in mind, how might these concerns be addressed? One way is to start with the accountability structures of NGOs, and their connections and social relationships with civil society. Philosopher Charles Taylor created the following definitions in his work *Hegel*, which can be useful for providing a framework for the debate:

1. In a minimal sense, civil society exists where there are free associations, not under tutelage of state power.
2. In a stronger sense, civil society exists only where society as a whole can structure itself and coordinate its actions through such associations which are free of state tutelage.
3. As an alternative or supplement to the second sense, we can speak of civil society wherever the ensemble of associations can significantly determine or inflect the course of state policy. (Cohen and Arato 1992; Taylor 1990a: 98).

It is appropriate that these definitions be researched and examined in the context of accountability and NGO research. The first definition refers to a society with free associations between individuals, where there are limited responsibilities for the state to undertake. On such a view, the state’s role might be limited to the protection of a well-functioning market economy as the optimal means to create free associations in civil society.

In the second definition there are free associations through groups that comprise the social whole and this involves the recognition of, and the existence of, common and collective values in society. This way to think about civil society differs from the first definition in its condemnation of individual competition and market forces as means to create individual incentive structures. As a result, accountability is aligned with the ‘decision-useful’ criteria, which assumes that processed market information is accountable when it has been assimilated in accordance with the conceptual framework of technical accounting.

When civil society is aligned with decision-useful frameworks, accountability factors are limited in their means to recognise that accounting reports do more than just ‘transmit’ a set of numbers. Furthermore, when accounting is defined simply in terms of decision-usefulness the technical role of providing a ‘set of numbers’ is given prominence at the expense of meaningful accountability (Cooper and Sherer 1984). From this, civil society is unlikely to have the information to provide social infrastructure and collective goods to facilitate its development. This is a conception of
civil society where the mere presence of numbers is not confused with genuine accountability.

The third definition suggests that these groups can instruct states with the aim that power does not reside ultimately in the whole of the state. On this view, the state and large powerful associations are able to form a powerful unity that is greater than the sum of its individual parts. This definition of civil society involves clarifying the processes and definitions on which institutions such as NGOs are based.7

This claim involves a different way to think about what a civil society is, and the relationships it comprises. These relationships include the intrinsic values and background horizons of meaning that require careful interpretation by accounting, accountability and democratic researchers alike. The third definition of civil society points toward a politics of recognition that is based on exploring the limitations and strengths of market solutions, and offers a critical insight that there is more to human nature than individual competition and the provision of decision-useful information. On this view, then, the evaluation of NGO accountability reflects an explicit focus on how to narrate the contribution to the good society and the people that comprise it.

Evaluation of NGOs involves not only how they may or may not facilitate a free-market-based civil society, but how they can and might contribute to the development of society. These concerns lead toward another series of issues, which involve left and right-wing political interpretations of NGO research. One key aspect of the left-wing critique of NGOs is the claim that NGOs are susceptible to capture by the logic of economic forces. That is, without a fundamental transformation of society from a commodity and profit-based focus to one that promotes the good as a legitimate concern for democratic societies. That is, the economic logic of corporations has the ability to suppress civil society in the second sense and thereby devalue the idea of a good society as a factor worthy of consideration. The economic logic implicit in the first conception of civil society denies the existence of collective, social goods as the fabric of intuitions and personal subjectivity.

Meanwhile from the conservative, right-wing school of thought it is claimed that NGOs create the conditions for control by elites and bureaucrats. Once these elites are in power they have ignored their constituencies; they become merely self-interested agencies incapable of fair democratic representation. Yet in the third sense of civil society a role for NGOs may be legitimised by the people when the practices of the state promote an accountable, flourishing and interactive community, which is its aim and goal. The accountability problem that is addressed within the third definition of civil society is that these civil institutions (such as NGOs) have been integrated into the apparatus of the state rather than just attempting to influence the policies of the state.

Clearly, any solution to these issues is fine-grained and involves a balancing act between definitions two and three of civil society. This is because the right and left-wing schools of thought dominate modern accountability debates without a full consideration of the options available. A civil society must reflect and accommodate the will of the people, which is not always given full consideration in accountability studies offering structures of governance. These structures of governance must take account of the life history of people and their communities which comprise significant relationships that require democratic, open and sensitive political consideration.
Therefore, the determination of the effectiveness of functioning NGOs must involve examining the connections between accountability processes, NGOs and civil society. For example, the positive impacts of NGOs such as Greenpeace involve their contribution to exposing the democratic problems associated with unequal relations of power between big and small states. It is interesting that it has been NGOs who have explained that the western world conveniently continues to overlooks the sweat-shop labour practices adopted in developing nations of the world, destroys nature and creates tensions between cultures and nations. While other NGOs have proven useful in exposing some of the many ideological problems of contemporary politics such as global warming and economic globalisation, one wonders whether they are enough.

In sum, the tendencies in modern western social systems – which NGOs attempt to reform – are susceptible to the critical interpretations offered by radicals such as Boggs (1995), Luke (1997) and Taylor (Taylor 1999a, 199b, 2002, 2003). The NGO accountability problem is how might accountability objectives be aligned with the second sense in which civil society involves the recognition of common actions together with a role for the state (Taylor 1991).

Evaluating NGOs using civil society research

Motive is central to the determination and construction of accountability structures. To this point in the NGO argument, the most interesting interpretive literature in accounting studies claims that corporate strategy and financial reports serve as corporate shields so that companies can continue their operations. For example, Neu et al (1997) examined some corporate motivations for environmental reporting and found that the information provided did not contribute to the public sphere, and reinforced the democratic and accountability problems that exist in a minimal conception of civil society. Arguably, in the absence of more theoretical rigour in modern corporate environmental and social accounting, a situation of political ambiguity may arise. While there is a theoretical means to posit a role for NGOs it is important to remember the problematic path that lies ahead because both left-wing and right-wing perspectives ignore important ontic features of identity. Indeed, Carl Boggs has argued that the possibilities for reform are a distant shore – all that all we can do now is to reclaim democratic politics for the people. He states a need to re-theorise the public sphere and reclaim politics for an empowered citizenry [who] will face a Sisyphean battle, especially since corporate colonization, the global capitalist order, media myth-making, and ‘post-modern’ social fragmentation are all so firmly entrenched. (Boggs 1997: 777)

The task to reform modern communities and their accounting systems is immense and unlikely to be solved in the short to medium term. At the very least, there is a need to re-theorise accountability processes that may guide practice to confront the entrenched interests of capital and the problems of modern society. Again it is worthwhile considering Boggs’s analysis:

While multiple sites of power and resistance need to be more clearly theorized than in the past, and while Marxian fixation on class struggle,
the primacy of capital–labor relations, and social totality has lost its rationale, the extreme postmodern assault on macro institutions severs the connection between critique and action. Moreover, to the extent that postmodernism embraces a notion of subjectivity that is decen
tred and fragmented, the very idea of citizenship gets obscured. As Philip Wexler argues, the social, legal, and political requirements of citizenship were historically founded upon universal norms of democracy, freedom and equality, but postmodernism, which blurs everything and dissolves politics into the sphere of culture and everyday life, destroys this foundation. (Boggs 1997: 768)

This argument shows the difficulties involved in reforming modern societies and making them accountable. While Boggs points to the problems of modern society, we need an ostensible means to extend the pacific union pioneered by social and environmental accounting thinkers by reconsidering the accountability and political factors that follow from a dialectical analysis. That is, accountability can fuse horizons, create trust and openness predicated on acknowledging that cultures and societies change and adapt – these are all equally important values. This argument, however, responds by asking how democratic horizons might change if they are not subject to critical scrutiny.

This economic logic to which NGOs might succumb also reflects the potential atomism and commercialisation of civil society; that is, the global processes of commodification affect all parts of the globe shaped by market-based ideologies. This limited interpretation of the role of civil society and its public spheres does not fully create conditions conducive to the involvement of citizens. To the cynical, their role is marginalised and their meaningless participation in periodic elections becomes a trivial pursuit. While NGOs have attempted to fill this void, it is alarming that in this late and complex period of capitalism we have witnessed a decline of the public sphere together with increasing rates of environmental and social decay (Taylor 1991a, 1991b; Habermas 1993a, 1997). With the decline of a public interest and accountability focus in accounting scholarship, new and multiple sites of power and resistance against the colonising force of corporatisation, harmonisation and globalisation are needed more than ever before.

This critical paper is not just a justification for more discussion about the arguable failures of capitalism and the limits of NGOs as change agents. This paper’s emphasis on the construction of a good society is a means to understand the processes that result in the malaise of modern society. Or, in more prosaic terms, a malaise is generated when societies become preoccupied with competition and markets at the expense of interpretation and explanation. One way to overcome these problems is to foster a pathway to think about connections with, and between, institutions in civil society. It involves constructing political and economic strategies to escape the infatuation with individual and economic goods. An excessive reliance on instrumental and economic thinking divorces us from creative thought processes and locks us into the existing structures of capitalism, thereby condemning NGOs to a social structure from which they cannot escape. We think that NGOs – Greenpeace, Earth Sanctuaries, WWF – are about protecting biodiversity and saving other species but many of their actions reveal other motivations:
From the adoption of the panda bear as its official logo to its ceaseless fascinations with high-profile, heavily symbolic animals, or those which are most commonly on display in zoos or hunter’s trophy rooms, the WWF-US has turned a small handful of mediagenic mammals, sea-creatures, and birds into zoological celebrities as part and parcel of defending Nature. Whether it is giraffes, elephants, rhinos or kangaroos, ostriches, koalas or dolphins, humpbacks, seals, only a select cross-section of wild animals with potent mediagenic properties can anchor its defense of Nature … This mobilisation of biodiversity, then, all too often comes off like a stalking horse for its more entrenched vocations of defining, supplying and defending biocelebrity. (Lukes 1997: 47–48)

The essence of Lukes’s critique and his work on the WWF is that its structures have been submerged within instrumental and procedural political structures that facilitate free markets. Instrumental reason is the type of reasoning economists use to maximise outputs and minimise costs, which in terms of NGOs such as the WWF can be susceptible to capture; that is the WWF is really about preserving ‘bio-celebrity’ (Lukes 1997). Moreover, these problems haunt NGOs sui generis, but might be politically handled through the involvement of citizens in the spheres of civil society guided by a dialectical thinking. This way to think about the role of NGOs in civil society is to examine the logic and values on which different NGO proposals have been constructed.

The evaluation of the performance of NGOs involves examining the manner in which decisions have been constructed and the reasons that have been provided. The next step is to visualise other strategies to resist the reduction of environmental values to economic calculations – the ‘biocelebration’ of nature’s value. One way to begin this critical investigation concerning NGOs, in an accounting context, is to remember the warning made by Esposito et al (1998) in critical accounting studies. They explained how a reliance on accounting interpretations tended to ignore the way economic reforms affect the plight of people, working conditions and relationships in the global world. They argued:

It would be naïve for everyone to be fully assuaged by reassurances of politicians and economists about the massive changes taking place around us. This would be blind to various forms of contravening evidence and signals. For we know that structural dislocations and job destruction characterize our globalizing economy, even if we can only dimly grasp what these changes will auger for the longer term. More than ever, we worry about work and are working longer hours; we are more than ever driven, nervous, seemingly trapped in a cybernetic cage perhaps ever more insidious than the steel one it extends. (Esposito et al 1998: 13)

Humanity trapped in an instrumental cage detaches ethics from a morality whereby our lives are directed by more rules and procedures. From this perspective, accounting reform in the public sphere and civil society must expose the injustices, oppressions, social hierarchies and differences making up the social environment.

That is, if accounting is to satisfy its public interest role and respond to the Marxian critique of capitalism it is necessary to investigate whether NGO accountability is
caught within a system from which it cannot escape. This is because NGO accountability reform assumes that ‘market failures such as information asymmetry and non-excludability may be recognised but by assuming the perfect adaptability and omniscience of market participants, other institutional possibilities are dismissed’ (Cooper and Sherer 1984: 213). There is a need to explore other accountability and NGO arrangements relevant to accounting as a means to escape the vicious circles from which NGO accountability is struggling to escape.

 Accounting, dialectical logic and the public sphere: a way forward

NGOs have attempted to provide the type of activity and information that would fulfil the aims and objectives of a civil society in a broader sense; that is, a society where people are able to seriously influence the policies implemented in society. Addressing the problems in accountability, civil society and NGO research involves determining whether such institutions fulfil the objectives of the social accounting project. That is, do NGOs reduce the gap between what accounting provides and what citizens need in order to be informed fully in an accountable world – at issue are the accountability credentials of NGOs: do they deliver on their claims? Put simply, are NGOs authentic vehicles of social change? The ideal of authenticity can be examined in terms of the parameters of change implicit in NGO research. Here dialectical logic is important, as Taylor notes, in explaining how a social phenomenon changes and becomes a new feature in society. He explains:

A plausible basis of distinction is provided by our activity of explanation. We explain a phenomenon by demonstrating how it stems from the nature of the respective thing and/or underlying mechanisms which characterise it. If we achieve a successful explanation, then obviously the language in which we describe this nature and these mechanisms become privileged. (Taylor 1986: 4)

Do our activities adequately explain the processes of change in terms of the aims and objectives that we have set forth? Do NGOs facilitate the accountability quest for an unalienated society – or do other liberation and freedom issues require renewed thinking? How do we judge the processes of change and whether dialectical logic is enough? One answer involves investigating the claims of some orthodox Marxists and Hegelians concerning how social change is to be substantiated. The ideal of authenticity stems from the work of Gadamer, Heidegger, Taylor and Trilling to whom liberation involves the development of social practices that are robust in the manner in which freedom is facilitated. On such a view, it is possible to construct a role for NGOs such that they do not fall victim to the assimilating logic of capitalism. This involves not only criticising the current social system but designing systems that facilitate the realisation of freedom within practices that are aligned with these objectives.

In a more robust democratic framework, it is possible to offer not only procedural accountability for NGOs, but also a means to explore how they contribute to the good. More fundamentally, this way of thinking about the reform of accounting and society offers a stark contrast with the many apologetic approaches that simply rely on NGOs and glide over any analysis of social antagonisms, including those in the socialist mode of production. An ethical approach that centres on the authentic realisation of common
goods in society not only challenges the core of our social order, but provides a way of thinking to consider how NGOs and reform might be substantiated. Both Gadamer and Taylor, in particular, situate the ideal of authenticity within debates concerning the dialectical method. Three dominant dialectical traditions have been offered as means to interpret and ultimately judge whether and how social change has been implemented. They are:

1. A dominant scientific tradition that refutes dialectical methods as mystical and subjective.
2. A dialectical representation of reality, culture and nature.
3. An ontic dialectic that investigates culture, history and politics according to notions of ‘strong evaluation’ (Taylor 1986: 141).

The first definition emanates from logical positivist sources and is critical of dialectical logic; that is, dialectics is unscientific and is a self-deception because it confuses certain aspects of subjective thought processes with the objects of that thinking. The second group directly challenges the first and have been labelled orthodox Marxists who, in following Engels, see the structure of reality itself as fundamentally dialectical. The third group, the ontic dialectic, sees the place of dialectical structures in the understanding of human beings, of their life and their history. This third group finds it impossible to give up the occidental scientific tradition altogether and, at the same time, cannot accept that dialectics should be established as a category of reality as such, in the way it is done under a central dogma of so-called dialectical materialism. The third dialectical tradition is often referred to as the ontic dialectic and involves determining whether social practices are aligned with the individual’s aim to have their life plans and values realised. The issue is whether NGOs are able to contribute to this process.

Analytic and positivist philosophers often consider the links between the realisation of freedom and civil society to be based on questionable dialectical logic. They claim that attempts to explain every social conflict by exposing layers of contradictions is an impossibility and leads to circular thinking. Of course, it is then argued that this would leave us unable to explain anything of significance and civil society should be left to its own devices; NGO accountability would not be considered worth analysis. As noted, another way to consider the dialectical method has been offered by hermeneutic thinkers, to whom a successful explanation of a phenomenon (such as NGOs) reveals itself when expressed in a certain language. This path moves toward the ideal of authenticity, which involves examining not only the need for social change but whether the implemented social practices are able to realise citizen demands that their life plans are given full consideration.

The hermeneutic interpretation of the dialectical method maintains that a focus on transcending economic systems according to revolutionary theory can ignore the role that people’s life plans play in the processes of change. According to Gadamer, for example, better interpretations can be developed to facilitate roles for institutions such as NGOs and ultimately satisfy the demand that accountability criteria be fully realised. This thinking about change and the ideal of authenticity would allow a deeper reconciliation to be achieved thereby contributing to a good and reconciled society where accounting is not simply a technical device, but an interpretive and communicative feature of a civil society. On this view, NGOs can contribute to a civil
society through their contribution to the good and thereby act as authentic vehicles of change.

In the reform accounting project, the Gray et al school has maintained that accountability has slowly been moving towards a dialectical approach to consider and evaluate the social affects of accounting. In most recent research NGOs have been seen to act as mechanisms that implement the social accounting project. Further to this, the move toward dialectical thinking pieces together the tension between ideas; for example, the conflict between proponents of progressive social change and conservatives to whom civil society needs no change. These are important issues not only for accounting, but because revolutions and whole social systems have been affected by them. Accordingly, for Gray et al a dialectical approach to social accounting involves understanding that the ‘[e]conomic domain cannot be studied in isolation from the political, social and institutional framework within which the economic takes place’ (Gray et al 1995: 52).

That is, the connections between the social accounting project and NGO involvement in the public spheres of civil society are made using dialectical logic. This involves not only developing and theorising the tensions between ideas, but recognising that economic ideas cannot be studied in isolation from political and social forces. On this view, social accounting is an attempt to construct an accountable and democratic public sphere to transform the world, politics and culture. In most recent times, NGOs have been championed as proponents of social and environmental values and capable of achieving the realisation of their social accounting ideals.

A political economy perspective implicates accounting in processes of commodification in which reform measures are continually absorbed by the system and systemically transformed as products to be sold in the market. Accordingly, critical accounting has explained that technical extensions to the accounting function actually remain embedded in a market-structured civil society. Gray et al (1995) attempted to unmask bourgeois political economy as a facade of capitalism:

These two points of view are essentially different ways of looking at the issues (Held 1980) and are, fundamentally, irreconcilable in that the bourgeois perception treats as important issues which the Marxian analysis will see as relatively trivial. (Gray et al 1995: 53)

The point of difference suggested by Gray et al can be applied to analyse the claim that NGOs can constructively address the problems of capitalism which were revealed by dialectical logic. What can be added to their analysis is a dialectical means to determine whether NGOs contribute to the resolution of social issues and create new solutions. The accounting and accountability issue, therefore, involves whether the pragmatism of Gray et al (1995) is limited by the minimalist conception of civil society; that is, this reflects the most minimal understanding of civil society where markets are the only mechanisms through which progressive reforms are initiated.

A pragmatic conception of accountability takes the debate forward by theorising how civil society and accountability research can change the current system. Pragmatism is limited, however, by the assumption that social change emanates from within the existing system. This is because, without a full analysis of the contours of that debate, it
is probable that NGO research provides only a superficial interpretation of the processes involved in civil society research. The deeper social problems that NGO accountability aims to address remain under-theorised and involve whether dialectics can reveal the ideological problems in social governance and thus create a truly civil society. The issue is not only whether NGOs can contribute to the resolution of the social problems in civil society, but how they can be constructed in a manner that facilitates the freedom and liberation of people from capitalism’s commitment to technical and procedural solutions.

For accountability purposes, authenticity is defined as autonomy within context, but the context is not an instrumental one. Authenticity is not something that may be weighed or traded. It is about people’s being-in-the-world and is something different from economic notions of choosing how to maximise the options confronting us. Thus, the key issue is whether NGOs satisfy these ideals as they shape people’s freedom and contribute to the good society. On this view, authenticity involves the development of practices that satisfy individual demands that their aims and objectives are given full consideration – that their life plans, values and beliefs are respected in a manner consistent with the ideal of authenticity. That is, the process of individual self-realisation is to be tackled with respect in a reflective and interpretive social system. The question at hand, then, is whether NGOs are able to act and provide authentic solutions to the pressing democratic problems that are reflected within the instrumental practices that operate in current conceptions of a civil society. The aim of this dialectical thinking – an ontic dialectic – is to create authentic institutions such as NGOs through which individual demands for self-realisation are given authentic reflection in addressing current conflict, anomie and disenchantment.

Thus, the third strategy – the ontic dialectic – offers a promising means to reconsider the role that NGOs perform in the public spheres of civil society. The utilisation of an ontic dialectic focuses our attention to the question whether NGOs provide opportunities to communicate in entirely new ways thereby enhancing the role of the public sphere and the common goods that are needed in a civil society. It involves developing the two earlier ways to think about civil society, where civil society is shaped by free-market forces or where civil society is supplemented by political associations such as NGOs. The third dialectical tradition converges with such a vision of a civil society; namely, one that is based on a normative vision where such associations can significantly determine or inflect the course of state policy according to their contribution to the common good. From a critical dialectical position, then, NGOs are susceptible to capture by corporate interests and unlikely to create the type of communicative recognition and reconciliation that is their aim. It was therefore a natural step for Tinker and Gray (2003) to solve these conundrums, of which NGOs are a key factor. Their paper ‘A critique of pure reason’ reflects an accounting movement away from pragmatism to a dialectical analysis; they transcend Kant in their new ‘praxis’ that reflects disenchantment with those approaches that are not ‘cognitive, spiritual, and aesthetic’ (Tinker and Gray 2003: 727).

From this perspective, NGOs can be theorised not only from a critical perspective but also in terms of their spiritual and aesthetic credentials. The ontic dialectic adds to the arguments made by Tinker and Gray (2003) that the accountability process is determined in accord with the ideal of authenticity. In part, this argument recognises a problem with the way that Marxian models frame freedom and how it is to be realised.
Indeed, these problems shape how we account, construct and theorise accountability. On the Marxian view dialectical change occurs as a result of a vanguard party, or universal agent, that is able to break the capitalist relationship and usher in a new world. But, it is one thing to recognise the ability of enterprises to deflect, absorb and transcend reform strategies; it is another to create a society that allows counter-movements, such as NGOs, to exist with the aim to create freedom. It is certainly another to posit a role for new organisations in civil society that satisfies the demands for authentic realisation of these aims and objectives.

This leads to the argument that an ontic dialectic offers a more promising way to theorise the problems of capitalism and avoid the problems that have plagued NGO reform endeavours. Accordingly, NGOs cannot be divorced from the political and economic forces that reveal all the problems that a pluralist society generates. The third dialectical tradition, the ontic dialectic, aims to understand human beings, their lives and history. From this perspective, NGOs can be seen to provide avenues for citizens to contribute to civil society and contribute to the common good through processes of exchange and interpretation.

Furthermore, strands of critical accounting inspired by Marx’s work challenge the idealism in this interpretive attempt to reform civil society. One obvious response is to argue that democratic accountability can be developed through an appreciation that ‘horizons change’ for rational interlocutors committed to principles of progress and mutual understanding. From this perspective, a positive role for NGOs can be developed in terms of their contribution to the good society; that is, one that facilitates interaction in the public spheres of civil society (Taylor 1989).

Accountability can combine these dialectical arguments through the third dialectical tradition, which provides a pathway for NGOs to inform a way of thinking that accounts for, and reports in, a spirit of openness and democratic healing. On this view, accounting and accountability research does more than simply provide information to shareholders; it satisfies the demands for information to reduce levels of exploitation and inform communities while respecting their background horizons of value. Accounting and accountability research can benefit by focusing on solving the difference–commonality conundrum rather than simply relying on unelected organisations such as NGOs. More particularly, NGOs can contribute positively as change agents through a two-stage democratic and hermeneutic strategy to obtain a more comprehensive grasp of the assumptions, ideas and values of different cultural, environmental and social frameworks. In this regard, a commitment to shared common values would allow a lens to be constructed for us to see how evaluative criteria relate with the world, thereby inviting accounting to consider its perceived new role.

Accordingly, new ways of accounting and accountability must be developed such that citizens combat the colonising force of instrumental reason and the narrow and technical conception of civil society. The dialectical evaluation of NGOs moves from the economic to the social level through subtle political techniques that in turn cannot be divorced from the economic sphere. For hermeneutic thinkers, the political sphere requires not only a broader way to think about how the world turns but how social goals and common values can bring people together. This argument, similar in spirit to that of Neu et al (2001), is firmly of the view that a civil society is not built on economic and regulatory systems alone. This thinking provides a means to critique new
institutions such as NGOs and adapt them according to the needs of a civil society. Through an ontic dialectic a stronger foundation on which to develop a civil society can be constructed; as a consequence, the role of NGOs would interact with the state to arrive at a higher resolution of the contradictions and conflicts in civil society.

**Conclusion**

NGO accountability reflects a fundamental shift in the form and shape of contemporary accounting thought, where the apparatus of accounting and accountability spends vast time and resources on these processes. In this paper the strengths and weaknesses of NGOs were explored in two steps. The first step involved examining the role of NGOs and the different philosophical ways in which their role might be determined. The second step explored NGOs in terms of civil society research using a dialectical framework to determine their effectiveness for their times. An ontic dialectical strategy was offered to consider the ideal of authenticity – where authenticity involved the alignment between individual self-realisation and the practices that operate in society.

The paper challenged the institutions and practices that exclude, marginalise and harm others – in other words, those people who are often excluded by technical accounting and instrumental democratic theory. The third dialectical tradition differed from the traditional interpretation because one of its aims was to broaden the public spheres such that NGOs can contribute and participate in civil society. Accordingly, the third dialectic tradition explored left and right-wing interpretations about how pragmatic accounting can glide over social conflicts, while the dominant Marxist tradition had a potential to submerge individual demands for self-realisation of their life plans.

The next move in the paper was then to examine the economic dynamics of capitalism by focusing on micro-structures of accountability, which involved left-wing and right-wing attempts to construct accountability structures of governance. It was argued that traditionally accounting and accountability research overlooks the ability of capitalism to absorb and deflect reform measures. From this perspective, it was argued that NGOs were susceptible to capture by the forces and logic of capitalism. In responding to the plural dimensions of modern accountability research this paper examined the role of NGOs in civil society, enabling a fresh examination of regulatory regimes and the role of accounting in them. At the very least, the ideal of authenticity and the dialectical framework it is based on provides a means to examine the role of NGOs, their democratic credentials and whether they merely fill a space or create just another layer of bureaucracy which needs to be controlled and made accountable. This third conception of civil society was seen to offer a positive role for NGOs and the paper explored the possible role that accounting for NGOs might play in the modern and depoliticised world. The role of civil society must not simply be about developing more political space, but must question whether we have reached an ethically improved position – an authentic determination in the realisation of freedom and justice.

The second key idea running through the paper was that civil society research can move us beyond postmodern and Marxian focuses on class struggle, the proletariat and its relation with a totalising method. It was argued that NGOs can be theorised in a manner consistent with the needs of a civil society, whereas some democratic and interpretive problems were identified in Marx’s work. It was argued that Marxian critical accounting
operated with a mode of reasoning that does not necessarily nurture and develop the commonalities in a fully democratic and open manner. One problem with the received view of Marx’s work has been its reliance on the notion of a vanguard party which might be as undemocratic as the accounting guilds it replaces.

For the purposes of this paper, it is argued that modern radical approaches to accounting reform are useful in explaining the problems of business research, but can also be developed to consider the strengths and limitations of NGOs and reform in the civil sphere. It was for these reasons that this paper offered an ontic dialectic to consider a role for NGOs in the public sphere, thereby realising the quest for an unalienated society. Thus, the paper engaged dialectical logic to suggest that NGOs have the potential to play an important community role subject to the principles implicit in a broad, open and transparent conception of civil society. That approach not only investigates the role of NGOs but offers a fusion of horizons where citizen freedom is facilitated through the organisations of civil society. The ideal of authenticity informs a world revealed through dialectical logic where commonalities between citizens are developed in a spirit that heals difference, and repairs fractured relationships. This argument for an authentic resolution to the problems of our times is based on an avowed normative commitment to the values associated with the construction of a just world.

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1 The term ‘common good’ is used in this paper to mean those shared goods which are required for societies to function: such as roads, hospitals, telecommunications, schools, to name a few.

2 The public sphere has traditionally comprised two sectors, namely government and the people. In recent times NGOs have begun to actively lobby in the public sphere to counter the colonisation of the political process by party politics.

3 It is argued that NGOs bring into view reform issues and can contribute to solving the concerns of radicals with class struggle, the dictatorship of the proletariat and totality of social relations. This is despite the fact that these issues remain current for today; that is, they require discussion, debate and communication concerning how to implement change.

4 Gray et al 1987, 1996; Tinker and Gray 2003; Unerman and Bennett 2004; and see O’Dwyer 2003, 2005).

5 Even worse for accountability purposes is the idea that NGOs have become commodified instruments incapable of representing the needs of the many. A problem with NGOs is that they can limit the ability of representative forms of democracy to provide an avenue for the will of the people. Nevertheless, they do provide the potential for alternate voices to be considered.

6 This is in the Aristotelian sense of the best that can be attained in a flourishing human life. The ideas offered in this paper, however, should not be submerged in the Platonic good. Often ‘good’ is associated with Plato’s notion that it is to be measured in accordance with the forms that animate the world.

7 This evaluation can be guided by a dialectical thinking that recognises the ontic features of being a person, which provides a means to move beyond the debates between left and right wing schools of thought.

8 At his most perspicuous, Marx was certainly aware of these key differences between dialectical strategies, and it is probably correct to attribute the deficiencies within orthodox Marxism to Engels. Indeed, Engels seemed unaware of the differences between human being and inanimate nature, thereby rendering the dialectical method open to analytical critique as opaque and mysterious.


10 Further to the above, Marxian analysis has been used in the accountability literature to explain the processes of accumulation under capitalism. Accumulation and exploitation occur where workers’ product is sold on the market at prices below the value of the product sold competitively. The surplus value accrues to the owners of the means of production, thereby depriving workers of the true value of their services. The antagonism between ‘use value’ and ‘exchange value’ is crucial to Marx’s analysis as it frames the NGO attempt to reform capitalist relations (see Tinker and Gray 2003). In terms of environmental and social accounting there is
little analysis concerning why firms should produce and provide social and environmental information (Gray 2001).

11 It will be remembered that society is no longer seen in political theory as consisting of groups of sovereign individuals, nor as interest-maximising groups (as in earlier pluralism), but of groups held together by inter-subjectively shared language.

12 This way of thinking, then, offers a means to escape the interminable oscillation between the difficult concepts associated with “the myth of the given” (representational faithfulness) and a critical accounting (at times based on coherentist assumptions) that plagues modern political theory (see McDowell 1994).

13 It will be remembered that Hegel developed a way of thinking that emphasised the social dimensions of civil society. This is to be contrasted with those economic approaches, including taxation, that focus on financial relationships at the expense of the common bonds that make up a society.