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# Noble Networks? Advocacy for Global Justice and the “Network Effect”

*Jem Bendell and Annekathrin Ellersiek*

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## Acronyms

|                 |  |
|-----------------|--|
| <b>ALTER–EU</b> | Alliance for Lobbying Transparency and Ethics Regulation at the European Union |
| <b>BAE</b>      | British Aerospace  |
| <b>BBC</b>      | British Broadcasting Company   |
| <b>CAFOD</b>    | Catholic Agency for Overseas Development                                       |
| <b>CBI</b>      | Confederation of Business and Industry   |
| <b>CEO</b>      | chief executive officer  |
| <b>CFS</b>      | Cooperative Financial Services   |
| <b>CORE</b>     | Corporate Responsibility Coalition   |
| <b>DFID</b>     | Department for International Development, United Kingdom                       |
| <b>DTI</b>      | Department of Trade and Industry, United Kingdom                               |
| <b>EBRD</b>     | European Bank for Reconstruction and Development                               |
| <b>ECCJ</b>     | European Coalition for Corporate Justice                                       |
| <b>ECGD</b>     | Export Credits Guarantee Department  |
| <b>EITI</b>     | Extractive Industries Transparency Initiative                                  |
| <b>EPA</b>      | Economic Partnership Agreement   |
| <b>EU</b>       | European Union   |
| <b>FoE</b>      | Friends of the Earth   |
| <b>FoI</b>      | Freedom of Information   |
| <b>G8</b>       | Group of Eight   |
| <b>GATS</b>     | General Agreement on Trade in Services   |
| <b>HIV</b>      | human immunodeficiency virus   |
| <b>IASB</b>     | International Accounting Standards Board                                       |
| <b>IFRS</b>     | International Financial Reporting Standard                                     |
| <b>IMF</b>      | International Monetary Fund  |
| <b>IOC</b>      | international oil company  |
| <b>IPCC</b>     | Intergovernmental Panel on Climate Change                                      |
| <b>MP</b>       | Member of Parliament   |
| <b>KPMG</b>     | Klynveld-Peat-Marwick-Goerdeler  |
| <b>NGO</b>      | non-governmental organization  |
| <b>OECD</b>     | Organisation for Economic Co-operation and Development                         |
| <b>OFR</b>      | Operating and Financial Review   |
| <b>PWYP</b>     | Publish What You Pay   |
| <b>SEIC</b>     | Sakhalin Energy Investment Company   |
| <b>SEW</b>      | Sakhalin Environment Watch   |
| <b>SG</b>       | Steering Group (CORE)  |
| <b>SIN</b>      | Sakhalin Island Network  |
| <b>TJM</b>      | Trade Justice Movement   |
| <b>UK</b>       | United Kingdom   |
| <b>UNCAC</b>    | United Nations Convention Against Corruption                                   |
| <b>UNDP</b>     | United Nations Development Programme   |
| <b>US</b>       | United States  |
| <b>WTO</b>      | World Trade Organization   |
| <b>WWF</b>      | Worldwide Fund for Nature  |

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## Summary/Résumé/Resumen

### *Summary*

Civil society organizations in Western societies are widely reported to have significant political power. Policy makers increasingly emphasize the important role of such organizations as “equal players” in the political process, while outside institutional politics, civic advocacy recently regained attention through the rise of global and transnational social movements.

This paper draws attention away from individual engagement in social movements and from single non-governmental organizations (NGOs), toward inter-organizational networks of civil organizations and their role in public policy processes. Taking an inter-organizational perspective on civic advocacy, the paper starts with a theoretical reflection on two bodies of literature: social movement theory, and the literature on inter-organizational networks. The combination of insights from these two areas builds the theoretical background for analysing the “network effect” for joint advocacy by civil organizations in networks. The network effect, as discussed here, builds on a set of propositions about how organizing in networks affects the network members themselves, as well as how networks change the role of civic action in the policy process. These propositions are presented and discussed from two different angles: inside and outside networks.

The empirical data for the assessment of network effects derives from four civil advocacy networks working in the United Kingdom in the area of economic policy with implications for international development. The data for each case were collected by means of document analysis and a combination of interviews, as well as a survey including respondents from all four networks and representatives of their counterparts in the policy process. The presentation of each proposition is followed by a discussion based on the empirical data. While the propositions made from an “inside” perspective on the network effect are primarily discussed in light of the direct perceptions of network members, the paper draws upon the perceptions of public policy officials in order to validate the discussion of the external perspective on the network effect.

Starting from a classic resource-based perspective on social movements, the paper discusses the impact of network effects on resource pooling and mobilization. Following the “exchange theory” proposition that networks not only facilitate exchange between different actors but also lead to the creation of new network-specific resources and skills, this discussion is complemented by an assessment of the effects of networks on inter-organizational learning and the building of a shared identity. The authors state that the governance of a network is critical for the use of these internal network effects: governance can “steer” collective action and facilitate strategic alignment of individual organizations.

The paper then examines the potential of networks to influence their external context. It also looks at how joint action impacts on network members’ perceptions of political opportunities in the policy process; this is compared with the perceptions of actors, such as government officials, whom the networks engage in the policy process.

The findings indicate that the network effect on civic advocacy primarily functions inside networks, as it changes the way network participants perceive their role in the policy process. By working through networks, individuals in participating NGOs can exert some additional influence over public policy on global inequality. However, by comparing current practice with the networks’ promises identified in existing studies of organizations and social movements, it appears that many of the potential benefits are not being systemically realized by network participants. Instead, participation in such networks appears as a strategy by individuals to deal with a lack of focus on systemic, cross-cutting issues by their NGO, rather than a comprehensively resourced strategy from their organization. A consequent resource scarcity leads to a lack of investment in network learning and strategic planning, so that these civic

networks do not utilize the network effect to its full extent. As a result, the impact of the network effect outside networks appears limited. The reasons for the limited impact identified in this paper were unintended consequences of organizing in networks: network activities appeared to be driven by governmental agendas rather than by the NGOs' strategic goals; the aims of campaigns repeated existing political compromises and narratives rather than introducing challenging discourses; and coalition building through networks was prematurely curtailed.

While networks could be a mechanism for empowering civic organizations within existing societal structures, this would likely require an enhanced effort to align participant organizations with network-related activities, and the involvement of more groups who shape inequality, as well as those who suffer from it. Consequently, the authors draw the preliminary conclusion that some civic networks demonstrate a potential to enhance civic advocacy in policy processes, yet generate concerns over legitimacy and effectiveness. They may therefore appear to some people as inert and elite clubs of intelligent civic professionals—"noble networks". The paper explores two of these concerns with civic network advocacy in the final section, and recommends a shift from a "noble" to a global strategic network approach. This conclusion is particular to the type of civic organizations researched, and greater connections to other civic organizations, such as trade unions, may help address some of the challenges identified.

The paper makes a contribution to the emerging field of critical and normative inter-organizational relations, and identifies some key areas for further work. It will aid understanding of how NGOs relate to social movements through their networks at a time when struggles for financial justice are set to grow.

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### ***Résumé***

De l'avis de nombreux milieux, les organisations de la société civile ont un pouvoir politique non négligeable en Occident. De plus en plus, les décideurs politiques insistent sur l'importance du rôle de ces organisations dans le processus politique, dans lequel elles sont "acteurs à part égale", au moment où, hors des institutions politiques, les activités citoyennes de sensibilisation suscitent depuis peu un regain d'intérêt avec l'essor des mouvements sociaux mondiaux et transnationaux.

Ce document attire l'attention non pas sur l'engagement individuel dans les mouvements sociaux ou sur des organisations non gouvernementales isolées (ONG), mais sur les réseaux d'organisations citoyennes et leur rôle dans la définition des politiques publiques. Considérant les activités citoyennes de sensibilisation sous l'angle des relations entre les organisations, ses auteurs commencent par mener une réflexion théorique sur deux corps de littérature: l'une sur la théorie des mouvements sociaux et l'autre sur les réseaux d'organisations. Les enseignements conjugués de ces deux littératures constituent la toile de fond théorique sur laquelle ils analysent "l'effet réseau" qui se fait sentir lorsque des organisations de citoyens en réseau font un travail commun de sensibilisation. L'effet réseau est traité ici sous la forme d'une série de propositions expliquant comment le fait de s'organiser en réseau a une incidence sur les membres du réseau et comment les réseaux changent le rôle de l'action citoyenne dans le processus politique. Ces propositions sont présentées et commentées sous deux angles différents: de l'intérieur et de l'extérieur des réseaux.

Les données empiriques qui ont servi à évaluer les effets réseau proviennent de quatre réseaux travaillant au Royaume-Uni pour sensibiliser les esprits à la politique économique et à ses

conséquences pour le développement international. Dans chaque cas, les données recueillies proviennent de l'analyse de documents et de divers entretiens, ainsi que d'une enquête réalisée auprès de représentants des quatre réseaux et de leurs homologues de la sphère politique. L'exposé de chaque proposition est suivi d'un commentaire qui s'appuie sur des données empiriques. Si les propositions faites "de l'intérieur" sur l'effet réseau sont essentiellement commentées à la lumière des perceptions directes des membres du réseau, les auteurs s'appuient sur les perceptions des responsables des politiques publiques pour valider le commentaire sur l'effet réseau vu de l'extérieur.

Après avoir étudié les mouvements sociaux selon la démarche classique, en interrogeant la documentation à ce sujet, les auteurs traitent de l'impact des effets réseau sur la mise en commun et la mobilisation des ressources. Conformément à la "théorie des échanges", ils posent que les réseaux non seulement favorisent les échanges entre différents acteurs mais aboutissent aussi à la création de nouveaux talents et de ressources propres aux réseaux, puis ils en évaluent les effets sur l'apprentissage interorganisationnel et la formation d'une identité commune. Ils estiment que la gouvernance joue un rôle déterminant dans l'exploitation des effets réseau à l'intérieur de celui-ci: elle peut "piloter" l'action collective et favoriser l'alignement stratégique d'organisations isolées.

Les auteurs examinent ensuite la capacité des réseaux à influencer leur environnement extérieur. Ils étudient aussi l'incidence de l'action commune sur la manière dont les membres du réseau perçoivent les opportunités qui s'offrent dans le processus politique et ils comparent cette perception avec celle des acteurs, par exemple des hauts fonctionnaires du gouvernement, qui sont les interlocuteurs politiques des réseaux.

Ils concluent que l'effet réseau sur les activités citoyennes de sensibilisation se fait surtout sentir à l'intérieur des réseaux, car il change la manière dont les participants au réseau perçoivent leur rôle dans le processus politique. Les réseaux permettent aux individus qui travaillent dans les ONG participantes d'exercer plus d'influence sur la politique publique capable d'agir sur l'inégalité dans le monde. Cependant, si l'on compare la pratique actuelle avec les promesses des réseaux telles qu'elles ressortent des études des organisations et des mouvements sociaux, on s'aperçoit que bien des avantages potentiels des réseaux ne sont pas exploités de manière systématique par ceux qui en font partie. Au contraire, la participation à ces réseaux apparaît davantage comme une stratégie adoptée par les individus pour compenser le manque d'attention portée par leur ONG aux problèmes systémiques et intersectoriels que comme une stratégie à laquelle les organisations consacrent toutes les ressources nécessaires. Ces ressources étant insuffisantes, elles n'investissent pas assez dans l'apprentissage et dans la planification stratégique, de sorte que ces réseaux citoyens n'exploitent pas à fond l'effet réseau. L'impact de l'effet réseau hors des réseaux apparaît en conséquence limité. Les auteurs l'expliquent par les conséquences involontaires de l'organisation en réseau: les activités des réseaux semblent régies davantage par les programmes gouvernementaux que par les objectifs stratégiques des ONG; loin de tenir un discours qui interpelle, les campagnes répètent, dans leurs buts, les compromis et les discours politiques ambiants; et les tentatives de coalition tournent court.

Les organisations citoyennes en réseau pourraient avoir plus de poids dans les structures sociales en place mais elles devraient, pour cela, redoubler d'efforts pour s'aligner sur les activités du réseau et compter dans leurs rangs non seulement des associations de citoyens souffrant des inégalités, mais aussi des groupes capables d'agir sur ces inégalités. En conséquence, les auteurs concluent à titre préliminaire que certains réseaux présentent une aptitude potentielle à renforcer le poids des citoyens dans les processus politiques mais qu'ils suscitent des inquiétudes quant à leur légitimité et à leur efficacité. Ils peuvent donc apparaître aux yeux de certains comme des clubs inertes et élitistes de citoyens intelligents et professionnalisés – comme des "réseaux nobles". Les auteurs approfondissent dans la dernière section deux des préoccupations que suscite la sensibilisation des réseaux et recommandent que l'approche "noble" cède la place à une démarche stratégique globale. Cette conclusion est particulière au type d'organisations sur lequel se sont penchés les chercheurs, et une plus

grande attention portée à d'autres organisations telles que les syndicats peut aider à surmonter certaines des difficultés relevées.

Ce document apporte une contribution à un domaine nouveau, celui des relations entre les organisations vues sous l'angle critique et normatif, et indique des secteurs clés auxquels les recherches pourraient s'intéresser à l'avenir. Il devrait permettre de comprendre de quelle manière les ONG s'entendent avec les mouvements sociaux par l'intermédiaire de leurs réseaux à un moment où les luttes pour une justice financière vont grandissantes.

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### **Resumen**

Es generalmente sabido que las organizaciones de la sociedad civil en el hemisferio occidental tienen un grado considerable de poder político. Las instancias normativas recalcan cada vez más el importante papel de estas organizaciones como "actores iguales" del proceso político mientras que fuera del ámbito de la política institucional, las actividades de defensa y promoción de causas han cobrado nueva importancia en los últimos tiempos con el surgimiento de movimientos sociales transnacionales y mundiales.

El presente documento deja de lado la participación individual en los movimientos sociales y las organizaciones no gubernamentales (ONG) como entes individuales, para ocuparse de las redes interinstitucionales de organizaciones civiles y su función en los procesos de política pública. A partir de esta perspectiva interinstitucional sobre la promoción civil de causas, el documento parte de una reflexión teórica sobre dos corrientes de análisis: la teoría de los movimientos sociales y la bibliografía especializada sobre las redes interinstitucionales. La combinación de las perspectivas provenientes de estas dos áreas forma la base teórica para analizar el "efecto red" para la defensa conjunta de una causa por parte de organizaciones civiles que conforman una red. El efecto red, en los términos entendidos en este trabajo, se vale de una serie de proposiciones sobre la forma en que la organización en red afecta a los miembros que la componen, así como la forma en que las redes modifican el papel de la acción civil en el proceso de la formulación de políticas. Estas proposiciones se presentan y se examinan desde dos ángulos diferentes: redes internas y redes externas.

Los datos empíricos utilizados para evaluar los efectos de las redes provienen de cuatro redes de participación civil que operan en el Reino Unido en el ámbito de la política económica con consecuencias para el desarrollo internacional. Los datos para cada caso se obtuvieron mediante el análisis de documentos, una serie de entrevistas y una encuesta a miembros de las cuatro redes y representantes de sus homólogos en el proceso de formulación de políticas. La presentación de cada proposición se complementa con un examen basado en datos empíricos. Si bien las proposiciones hechas desde la perspectiva "interna" sobre el efecto de las redes se examinan primordialmente a la luz de las percepciones directas de sus miembros, en el documento se recurre a las percepciones de los funcionarios encargados de las políticas públicas a fin de validar el análisis de la perspectiva externa sobre el efecto red.

A partir de la perspectiva clásica (que se basa en los recursos) sobre los movimientos sociales, se estudia en este trabajo la repercusión de los efectos de las redes sobre la puesta en común y movilización de recursos. Con base en la proposición de la "teoría de intercambio" de que las redes no solo facilitan el intercambio entre distintos actores, sino que además llevan a la creación de nuevos recursos y aptitudes específicos de dichas redes, el análisis se complementa con una evaluación de los efectos de las redes sobre el aprendizaje interinstitucional y la conformación de una identidad compartida. Los autores sostienen que la gobernabilidad de una

red es fundamental para utilizar estos efectos internos de las redes: la gobernabilidad puede “dirigir” la acción colectiva y facilitar la alineación estratégica de las distintas organizaciones.

En este trabajo, se examina el potencial de las redes de influir en su contexto externo. También se debate la forma en que la acción conjunta afecta las percepciones que tienen los miembros de las redes sobre las oportunidades políticas en el proceso de formulación de políticas; estas percepciones se comparan con las de otros actores, como los funcionarios públicos, con quienes las redes interactúan en los procesos de formulación de las políticas.

Los resultados indican que el efecto red sobre las actividades civiles de promoción y defensa de una causa funciona principalmente al interior de las redes mismas, dado que modifica la forma en que los participantes de las redes perciben su función en el proceso de formular políticas. Al trabajar por medio de redes, las personas de las ONG participantes pueden ejercer cierta influencia adicional sobre la política pública relativa a la desigualdad mundial. Sin embargo, al comparar la práctica actual con las promesas de las redes que se desprenden de los estudios existentes sobre organizaciones y movimientos sociales, parecería que los participantes de las redes no realizaron sistemáticamente muchos de los potenciales beneficios. En su lugar, la participación en estas redes parece ser más una estrategia de ciertos miembros individuales para responder a la incapacidad de sus propias ONG para focalizar sus actividades hacia problemas sistémicos transversales, en lugar de ser una estrategia que sus respectivas organizaciones respalden con todos sus recursos. La consecuente escasez de recursos conduce a una falta de inversión en el aprendizaje y la planificación estratégica de las redes, lo que hace que estas redes civiles no puedan aprovechar a cabalidad el efecto red. En consecuencia, el impacto del efecto red fuera de las redes parece limitado. Las razones de este efecto limitado que se señala en el presente estudio fueron consecuencias no intencionales de organizarse en red: las actividades de las redes parecían regirse más por las agendas gubernamentales que por los objetivos estratégicos de las ONG; las metas de las campañas repetían los compromisos y discursos políticos existentes, en lugar de ofrecer alternativas; y la conformación de coaliciones por medio de redes fue prematuramente cercenada.

Si bien las redes pudieran ser una mecanismo de empoderamiento de las organizaciones civiles dentro de las estructuras sociales existentes, ello probablemente requeriría de un mayor esfuerzo para alinear las organizaciones participantes con las actividades relacionadas con las redes, así como la participación de un mayor número de los grupos que dan forma a la desigualdad y de aquellos que sufren sus consecuencias. A la luz de lo anterior, los autores llegan a la conclusión preliminar de que algunas redes civiles demuestran tener el potencial para mejorar la defensa de causas cívicas en los procesos de formulación de políticas, pero al mismo tiempo arrojan dudas en cuanto a su legitimidad y eficacia. Por ello podrían parecer, a los ojos de ciertos sectores, agrupaciones inertes y elitescas de profesionales civiles inteligentes, o “redes nobles”. En la sección final del presente estudio se examinan dos de estas preocupaciones que surgen con las actividades de promoción de las redes civiles, y se recomienda cambiar del enfoque de red “noble” a un enfoque de red estratégica mundial. Esta conclusión se refiere especialmente al tipo de organizaciones civiles investigadas, y el incremento de las conexiones con otras organizaciones civiles como los sindicatos podría contribuir a abordar algunos de los desafíos señalados.

El documento es un aporte al campo emergente de las relaciones interinstitucionales críticas y normativas, y en él se proponen algunas áreas clave para futuras investigaciones. Contribuirá a comprender mejor cómo las ONG están relacionadas con los movimientos sociales a través de sus redes en el momento que la lucha por justicia financiera comienza a crecer.

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## Introduction

After the London bombings in July 2005, some reflected on how individuals who had never themselves experienced significant deprivation could be motivated to commit these attacks. They were the first suicide bombers to have grown up in a country that had not been occupied by foreign forces (Waldman 2005). In videos recorded before their deaths, they expressed a sense of common identity with the people they believed were oppressed by the West. Their conclusion was extreme and their method despicable, but it led some in Britain to recognize how global inequalities and injustices can create contestation and violence involving people not directly experiencing the associated disadvantages.

Until those explosions ripped through the city, a British person's sense of connection to those who suffer from global inequalities had generally led to greater social participation and cohesion across the United Kingdom, by inspiring people to donate time, money and prayer to anti-poverty groups like the Catholic Agency for Overseas Development (CAFOD), Christian Aid, Islamic Relief, Muslim Aid and Oxfam. Over the years these non-governmental organizations (NGOs) had become more vocal on the structural economic and political causes of the poverty, inequality and injustice they were addressing, and became involved in discussions, campaigns and protests that led to episodes of confrontation with the British government and intergovernmental institutions. This entered a new phase with the Jubilee 2000 event at the 1998 Group of 8 (G8) summit in Birmingham, which is widely seen as a key moment in the counter-globalization movement (Bendell 2004). Although some grassroots activists were so angered by police brutality and frustrated with the pace of change that they proposed the use of force against people and property, their voices were in the minority. The reality of violent confrontations in a number of European cities, alongside a changing global context of terrorism following the attacks on the United States on 11 September, led to a general rejection of violent confrontation both practically and in principle.

Toward the end of the first decade of the new century, global inequality was greater than at the turn of the millennium, continuing deterioration over previous decades, moderated somewhat by rising incomes in India and China (Milanovic 2007). The richest 10 per cent of the world's population receive half the world's income (Held and Kaya 2007). The United Nations Development Programme's (UNDP) *Human Development Report 2005* reported the continual marginalization of low-income countries in the international trading system. Of the \$9 trillion<sup>1</sup> that is generated from world exports, the amount that goes to sub-Saharan Africa, with a population of 689 million, is less than half of that which goes to Belgium, with a population of 10 million. This skewed trading system supports sizeable profits for corporations at the top of the value chain, which control access to high-value markets. Thus the grounds for both social connection and confrontation remain, as people rally around common cause and challenge the status quo. As an expression and catalyst of such mobilization, NGOs in Britain have been working to reduce global inequalities for many decades and paying increasing attention to policy advocacy (Bryer and Magrath 1999; Edwards 2003). Today, non-governmental and community groups address every conceivable policy issue and operate in virtually every country as well as beyond national borders (Evans 1999). Transnational NGOs, such as Amnesty International, Oxfam, Greenpeace, Christian Aid, World Vision or Friends of the Earth (FoE), address civic claims in various national and global policy forums (Smith 2005) in an attempt to influence the policies and practices of states, international institutions, companies and customers (Hudson 2001).

Practitioners and scholars alike describe "networks" of NGOs as a key mechanism for their advocacy on these issues. First of all, some terms need to be clarified. A social network describes a social structure made of nodes (which are generally individuals or organizations) that are tied by one or more types of interdependency, exchange or interest, such as values or visions, finance, knowledge or friendship (Carrington et al. 2005). Diani (2003:2) defines

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<sup>1</sup> All \$ figures refer to US dollars.

networks in activism as “relationships which connect informally—i.e., without procedural norms or formal organizational bindings—a multiplicity of individuals and organizations, who share a distinctive collective identity, and interact around conflictual issues”. In describing networks in the context of social movements, he focuses on their informality, common identity and role in contestation. Baldessari and Diani further describe civic networks as “web[s] of collaborative ties and overlapping memberships between participatory organizations, formally independent of the state, acting on behalf of special, collective, and public interests” (Baldessari and Diani 2007:736).<sup>2</sup>

The term “civic” alludes to the concept of civil society. For this paper, a civic network is understood as a social structure of organizations or individuals apparently working toward “a” common good, and connected by interdependencies or interests, such as campaign aims, finance, visions and values, whether recognized and formalized by participants or not. “Working toward a common good” is understood as efforts supporting the universal pursuit of people’s individual preferences in life, and typically involves people and organizations that seek public goals over private profits or governmental power. This is based on a normative concept of civil society as describing a space of progressive action, and an assumption that many not-for-profit organizations working on public issues such as the environment, poverty and human rights are constituent nodes within this space (Bendell 2006). This normative concept can be termed *civic* society, given that a generalist and non-normative view of *civil* society that includes all forms of association (from a simple choir to Al Qaeda) has become dominant in mainstream academia (Evans 1999).

Scholars report on the impact of civic networks of NGOs in negotiations on a broad range of policy issues in different national, transnational or global contexts, including large dam campaigns in China and India (Khagram 2002), biodiversity (Dumoulin 2002), international election monitoring policies in South America (Santa Cruz 2004), refugee status in Asia (Kwak and Liu 2004), sexual harassment policies at the European Union (EU) (Zippel 2006), policies for sustainable tourism in South America (Rodriguez 1999), and human rights in Mexico and Argentina (Sikkink 1993) and Chile (Hawkins 1997). Trade and development, besides environmental and human rights issues, are among the most prominent policy area of such network engagement (Nelson 2002). Scholars report on the decisive role these networks played in bringing their claims about these issues, beyond national contexts, to the global policy agenda of international institutions such as the United Nations (Otto 1996), and the World Bank.<sup>3</sup>

Scholars propose several reasons for the popularity of networks among NGOs. Smith (2005) sees an organization networking as a response to the shift in authority, from the national to the international or global level, which increasingly constrains the policy choices groups can take advantage of in a national context. A second factor she advances is a broadening of the scope of policy issues that such groups cover (Smith 2005). After a rapid parallel growth of the number of groups within more or less separately developing so-called social movement sectors, such as environmental policies and human rights, scholars observe an interpolation in those issue areas: trade and general economic policies in particular play an ever more important role in the advocacy work of groups in almost all these areas. In the way that governments or international institutions sometimes merge two departments, NGOs also have to deal with the growing interdependence of issues by broadening their organizational mandates. Nelson observes how this evolution challenges established NGOs, saying that by the late 1990s, many NGOs “had become engaged in a broader set of economic policy and trade issues” (Nelson 2002:378). The broader and constantly more complex issues require new and different political strategies (Nelson 2002) which do not only impact on the way NGOs approach their political

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<sup>2</sup> Contrary to those definitions, scholars discuss the actual “transnationality” of these networks (see, for instance, Smith 2005) and in how far they really can be considered as operating “outside” of institutional politics (Santa Cruz 2004). Keck and Sikkink (1998) for instance, argue that networks often work in close collaboration with institutional actors, hence, cannot be seen as outside of institutional politics.

<sup>3</sup> Chiriboga 2001; Fox and Brown 1998; Nelson 1996, 2002.

environments but also on the way they organize themselves: in networks.<sup>4</sup> One issue is an increasing need of established organizations to relate to the counter-globalization (or "global justice") movement, "whose political approaches differ sharply" (Nelson 2002:378) from those of the more established NGOs. A lack of capacity in less established groups—some of whom identify with counter-globalization—to effectively channel their claims and resources into the decisive policy context results in a gap between NGO "professionalism and populist protest" (Nelson 2002:362), which some suggest is addressed through networks (Risse et al. 1999).

The rise of networks means that NGOs have to "relearn—even to 'unlearn'" —previously gained political lessons (Nelson 2002:378). The political and institutional factors that require this political retooling include both the political environment and the internal restructuring (Rosenblatt 2004) among groups in and through networks.

The responsiveness of networks to policy issues (Carpenter 2007), their impact on those (Keck and Sikkink 1998; Rich 1994), as well as issues and problems in the management of NGO networks' relations to other actors (Schepers 2006; Tarrow 2001) and their internal governance and strategies,<sup>5</sup> have received considerable attention among scholars. Based on this literature, one gets the impression that networks are a promising way for NGOs to become politically engaged. However, most of the research done is *about* networks and their work in different policy contexts, and few studies examine the networks themselves and analyse this engagement from the perspective of the participants. This work is an attempt to reflect upon the network-related promises raised in the literature from the perspective of practitioners in networks, and those who have been affected by them. In particular this paper will discuss how network participants consciously seek to maximize the benefits of networks, and what this implies for the network participants' awareness of, and autonomy from, social structures; the effectiveness and legitimacy of the impacts of networks; and the implications for the effective management of networks.

This paper presents the findings of four case studies on UK-based NGO networks engaged in economic policy issues in order to reduce different dimensions of global inequality. The most important promise of networks, based on the literature on transnational as well as general advocacy networks, is as a means for NGOs to influence policy processes. This paper analyses the four cases in terms of those promises and identifies existing gaps between theory and practice. It then discusses matters of effectiveness and legitimacy that impact on policy processes. It explains how, working through networks, NGOs are able to exert more influence over public policy on global inequality. However, by comparing current practice with the promises of networks identified in the study of organizations and social movements, the authors suggest that many of the potential benefits are not being systemically realized by network participants. This is a result of resource scarcity, which leads to a lack of investment in network learning and strategic planning, so civic networks are not utilizing the network effect—as described to by various analysts—to its full extent. As a result, their impacts are often limited and have unintended consequences, their activities may be driven by government agendas, their campaign aims may repeat existing political compromises and cultural norms, and their coalition building may be prematurely curtailed. Consequently, these networks generate some concerns over legitimacy and effectiveness, appearing to some as inert and elite clubs of intelligent civic professionals—noble networks. The paper concludes by suggesting that such networks could be a mechanism for empowering agency within existing societal structures, but would likely require an enhanced effort to align participant organizations with network-related activities, and the involvement of more groups which shape inequality, as well as those who

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<sup>4</sup> Smith (2005) reports on a slowing in the general growth rate of transnational organizations, which she argues is a result of a change in the environmental mechanisms for civic advocacy. She illustrates this argument with the example of the United Nations which "opened" its institutional structures to national groups in 1992. Previously outstanding access positions possessed by only a few large transnational NGOs, hence, became weaker as more direct access had been given to national and local groups.

<sup>5</sup> Carpenter 2007; Chiriboga 2001; Donnelly 2002; Edwards 2003; Fabig and Boele 1999; Fox and Brown 1998; Jordan and van Tuijl 2000; Smith 1997, 2005.

suffer from it. To this end the paper concludes with some recommendations for network participants, conveners and donors.

## **Conceptual Framework, Cases and Method**

In examining how UK-based NGOs advocate for changes in corporate and governmental policies affecting global inequality, it was apparent that they were teaming up in groupings variously called coalitions, alliances, movements and, sometimes, networks. The concept of a network seems broad enough to encompass these diverse collections of NGOs. In contrast to most analyses of how NGOs work in partnerships or alliances, the field of network studies has an existing body of literature on how networks function and how they could function well. Therefore if NGOs are increasingly engaged in networks to influence public policy, it may be useful to draw upon this body of knowledge to understand more of the mechanisms and potential benefits. Consequently this study is framed by insights from scholars of social and activist networks. In addition, as British development and environment NGOs are ostensibly engaged in social change, one way of developing insight into their activities is to draw upon an analysis of social movements throughout history. The turn of the millennium witnessed the emergence of a discourse of activism that challenges global inequalities as resulting from economic globalization, and networks have been identified as essential to the functioning of this activism (Diani 2001). As we are interested in working on global inequalities, the social movement literature and its analysis of new global movements is a relevant conceptual context.

Although this paper draws upon existing social movements theory and discussions of networks within that, as the focus is on networks of fairly institutionalized British NGOs, there are some issues in translating the insights from this existing scholarship. Many networks of NGOs do not primarily aim at continuous grassroots mobilization but rather focus on communication and information exchange between groups. Hence, they are distinct to the concept of global social movements. The focus of this paper neither assumes nor explores aspects of a transnational civil society (Keck and Sikkink 1998), or a unified notion of “movements” (O’Brien et al. 2000), but analyses the networks of more institutionalized groups, with a more national and technical policy-influencing agenda. Although we apply insights from these areas of inquiry, we move beyond analysis of grassroots mobilization processes that preoccupies much of the theory of social movements and take a more inter-organizational perspective on civic networks in the policy process.

The cases chosen relate to different dimensions of the interface between economic policy and global inequality, and represent different states of networking and levels of connection to broader social mobilization agendas. They were chosen for these differences, so as to give a broader view of the issues.

### ***Corporate Responsibility (CORE) Coalition***

One key issue for inequality is the imbalance of power between local and national governments, on the one hand, and international corporations, on the other. This gives rise to a variety of problems. Corporations can shield themselves from the risks associated with their subsidiaries and suppliers and thus not be held accountable by people who might be negatively affected. This leads to an inequality in the realization of justice. They can move money and transfer prices so that they reduce their taxes paid to government, and some can even move operations if governments seek more tax revenues. This leads to a reduction in the state’s capacity to reduce inequality through welfare programmes and properly resourced regulatory institutions. This ability to relocate, or threaten to do so, can also lead to a downward pressure on wages and mechanisms that lead to better pay and conditions, such as unionism. Low wages and high profits compound inequality. Therefore many NGOs have pushed for greater corporate accountability, including new mechanisms for people to seek redress across national boundaries, new regulations on the accountability of directors for their companies’ impacts, and

greater corporate disclosure of those impacts, risks and ways that companies are seeking to mitigate them. In the United Kingdom the Corporate Responsibility (CORE) Coalition seeks to address these issues:

The main themes of the Corporate Responsibility (CORE) Coalition's work include: the need for greater corporate accountability of key decision makers in companies, the importance of openness and transparency in corporate activities that have an impact on a range of stakeholders, and the need for improved rights of redress mechanisms so those unfairly effected by corporate abuse can seek justice.<sup>6</sup>

This CORE coalition is a semi-formal civic network which aims to mobilize the public in order to change corporate law in the United Kingdom. The network represents over 130 civic society groups, charities, campaigning organizations and unions. It also lists some businesses, academic institutions and members of the European Parliament as supporters. CORE is also a member of the European Coalition for Corporate Justice (ECCJ) that represents a diverse range of civic society organizations from across Europe campaigning for Europe-wide change to ensure corporate accountability.

In 2007 CORE was managed by a Steering Group, comprised of seven civic society organizations: Action Aid, Amnesty International UK, Christian Aid, FoE, Traidcraft, War on Want and WWF-UK. CORE worked mostly, if not solely, on legislation. "We are calling on the UK Government to enact laws that will ensure making profits is done so within the context of businesses' responsibilities to their stakeholders and their obligation to ensure their businesses are sustainable long term".<sup>7</sup> Until it was passed in November 2006, the Companies Law Reform Bill was a key focus for CORE's campaigning, which focused on increasing directors' duties to stakeholders, mandating reporting on social and environmental issues, and issues of access to justice. During the work on the Companies Bill, there were working groups on several topics: media and communications, parliamentary work and legal work. These working groups met regularly to discuss the campaign; all were composed, for the large part, of the staff of steering group members. CORE focused on letter-writing campaigns to Members of Parliament (MPs), and direct lobbying of politicians and civil servants, involving a number of submissions to the UK government and the EU.<sup>8</sup> CORE claims to have been a major driver behind the inclusion of mandatory reporting and new directors' duties in the Companies Act adopted in 2006, a development discussed later in reflections on policy impacts.

### ***Publish What You Pay (PWYP)***

Another way that international corporations influence inequality is through the financing of corrupt deals and paying bribes to government officials. One sector where this is a particular problem is the extractive industry. Research has found that international oil, gas and mining companies have paid billions of dollars a year to several governments in the global South, such as Angola and Nigeria, where few of these countries' citizens benefited from this financial windfall because of government corruption and mismanagement (PWYP 2002).

The Publish What You Pay (PWYP) campaign was launched in 2002 by the Open Society Institute and Global Witness with a coalition of more than 70 other civic groups. The financial speculator and philanthropist George Soros backed the campaign, explaining that "secrecy over state revenues encourages ruling elites to mismanage and misappropriate money rather than invest in long-term development" (PWYP 2002). Therefore the campaign aims to help citizens hold their governments accountable for how resource-related funds are managed and distributed.

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<sup>6</sup> [www.corporate-responsibility.org](http://www.corporate-responsibility.org).

<sup>7</sup> [www.corporate-responsibility.org](http://www.corporate-responsibility.org).

<sup>8</sup> [www.corporate-responsibility.org](http://www.corporate-responsibility.org).

The coalition argues that companies face a dilemma of wanting to act on moral grounds, but face the likelihood of exclusion by some governments if they do not pay bribes or publish details of the payments they make to governments. Therefore the coalition argues voluntary commitments from companies will not work, and calls for new rules on the mandatory disclosure of the payments made by oil, gas and mining companies to all governments for the extraction of natural resources.<sup>9</sup> PWYP does not focus on specific illegal actions, as many other anti-corruption schemes do (such as money laundering and smuggling), but on basic financial transactions, in part to expose how legitimate payments may be illegitimately used and in part to tackle the problem at its root—for example, the flow of funds. PWYP advocate various new control mechanisms, including revised stock market listing rules and international accounting standards. These would require all payments to governments and government officials to be disclosed by all extractive companies (both multinational and state-owned) for every country of operation, with that disclosure being:

- easy to understand, reliable and comprehensive;
- easy to compare with other companies' figures and with government revenue information;
- accessible to civic society;
- provided in local languages; and
- provided in the local currency.

The coalition makes a business case for companies to support the coalition, arguing it is in the long-term shareholder interest (more stable, enabling environment and sustainable development) if these companies operated more transparently in all countries. The coalition suggests that direct involvement or indirect complicity through funding conflict or supporting a corrupt regime “carries a number of associated credit risks for investors”. It identified reputational risk and the possibility of future governments, such as the one in Indonesia, punishing companies that funded the previous regimes (PWYP 2002).

PWYP has grown to a coalition of over 300 NGOs from over 50 countries. Headquartered in the United Kingdom, there are also several national coalitions around the world in Australia, Azerbaijan, Cameroon, Chad, Congo, the Democratic Republic of Congo, France, Georgia, Ghana, Indonesia, Kazakhstan, Kyrgyzstan, Liberia, Mauritania, the Netherlands, Nigeria, Norway and the United States. Membership of the PWYP coalition is only open to civil society groups, who are asked to endorse the campaign's appeal document in writing to the PWYP coordinator and agree to the PWYP coalition membership principles.

PWYP is widely reported as instrumental in the setup of the Extractive Industries Transparency Initiative (EITI), launched at the World Summit for Sustainable Development in September 2002 by the UK Prime Minister Tony Blair. The EITI brings together representatives of government, companies and civil society, as well as the World Bank. It is a framework for discussion, and only involves voluntary measures by governments and corporations, encouraging governments to “publish what you receive”. The relationship of PWYP to EITI and respective successes and limitations are discussed later.

### ***Trade Justice Movement (TJM)***

Another aspect of economic policy that is argued by activists to affect global inequality is the negotiation of bilateral and multilateral trade agreements (Nelson 1996). It is often argued that the neoliberal paradigm which dominates the negotiations of these agreements systematically outmanoeuvres activists' claims for the integration of labour and human rights, and economic

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<sup>9</sup> [www.publishwhatyoupay.org/english](http://www.publishwhatyoupay.org/english).

and environmental justice.<sup>10</sup> This new wave of economic activism focused on economic policy is collectively labelled the alterglobalization movement, and is not opposed to globalization per se (Munck 2003), but values social and environmental above economic concerns. In their protests against these economic policies, activists sought to hold accountable those political actors operating in the subpolitics beyond the power of the (national) political system (Gorgura 2003). Scholars interpret protests—such as those of Seattle, Genoa, Prague and Cancún against the Bretton Woods institutions, the World Trade Organization (WTO) and the G8—as efforts to make international institutions and governmental agencies accountable to the people they affect (Callinicos 2003). The operations of these institutions and of the large companies whose interests they serve are severely criticized on the grounds that they constitute an “unjustifiable legitimization deficit” (Crossley 2003:298).

Making the international trading system more supportive of reducing global inequality is the aim of the Trade Justice Movement (TJM). The TJM, which was founded in 2000, is today a coalition of more than 80 civic society groups and 9 million members, mostly British—or the UK branches of international—NGOs.<sup>11</sup> It includes trade unions, aid agencies, environment and human rights campaigns, fair trade organizations, faith and consumer groups.

The TJM is concerned with the role of international economic institutions and free trade agreements but focuses on European and UK trade policies. For instance, its key message to the UK government is that it should: “Fight to ensure that governments, particularly in poor countries, can choose the best solutions to end poverty and protect the environment. End export subsidies that damage the livelihoods of poor communities around the world. Make laws that stop big business profiting at the expense of people and the environment”.<sup>12</sup>

These broad requests translated into a number of specific calls that it considered “politically possible”, directed at both the United Kingdom and the EU. These include the unilateral cessation of agricultural export subsidies at home; removing demands from the EU Economic Partnership Agreement (EPA) for reciprocal trade liberalization; withdrawal of requests for water services to be included under the General Agreement on Trade in Services (GATS); demands that the International Monetary Fund (IMF) and World Bank “stop imposing trade conditions on poor countries”.

In line with the work of CORE, the TJM network also calls on the United Kingdom and the EU to enact legislation so that companies are held accountable for their social and environmental impacts at home and abroad, including the development of binding international regulations on companies, in particular, the UN Norms on the Responsibilities of Transnational Corporations and other Business Enterprises with Regard to Human Rights.<sup>13</sup>

To join the TJM network, an organization must not be a political party and its trustees must agree to sign up to the founding statement, “For whose benefit?”, and existing members must not have any objections. The governing body is a board of directors, elected annually from and by the membership. Each TJM member organization is entitled to nominate one candidate to stand for election at the Annual General Meeting. In each election, every member has one vote. The Board appoints the TJM Planning Group which oversees all the coalition’s campaigning activities and strategies. The TJM has a series of working groups operating under the direction of the Planning Group, focusing on areas like policy, media, events and parliamentary liaison.

The Trade Justice Movement is known for its tactic of public mobilization in support of its goals. Its Mass Lobby of Parliament in November 2005 was the largest ever such event in the

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<sup>10</sup>See, for instance, della Porta et al. (2006) on the Italian global justice movement or Rosenblatt (2004) on the environmental movement.

<sup>11</sup> [www.tjm.org.uk](http://www.tjm.org.uk).

<sup>12</sup> [www.tjm.org.uk](http://www.tjm.org.uk).

<sup>13</sup> [www.tjm.org.uk](http://www.tjm.org.uk).

history of modern British democracy with 375 Members of Parliament (MPs) lobbied in a single day. In April 2005 the coalition staged the biggest mass protest of the UK election campaign when over 25,000 people filled Whitehall at an all-night vigil. The TJM worked closely with CORE on the Companies Bill Law Reform, helping to mobilize a major letter-writing campaign.<sup>14</sup>

### ***Sakhalin Island Network***

Environmental degradation is both a key cause of poverty and part of the experience of poverty. Summarized by terms such as “environmental racism” (Chavis 1987), which indicates that poor and underprivileged groups and communities significantly bear more of the environmental burden of pollution and exploitation of natural resources; or in economic terms, the “resource curse” or the “paradox of plenty”, which indicate that countries with an abundance of natural resources paradoxically tend to have less economic growth than countries without. Unequal control over natural resources and the degradation of human rights with respect to indigenous populations are key dimensions to this aspect of global inequality. Local struggles are the primary grounds for waging numerous battles between indigenous populations, communities, environmental organizations, local and national governments, and extractive industries. These bottom-up struggles, hence, provide the foundation for the emergence of activism that takes action against perceived global injustices (Capek 1993:5).

Since 1994, Shell has been spearheading an oil and gas extraction project in Sakhalin Island, a far eastern Russian territory. The Sakhalin Island Network (SIN), an informal civic network composed of both Russian and UK NGOs, has been campaigning against Shell, Mitsubishi, Mitsui and, recently, against Gazprom for their operations on the island. SIN is a heavily media-oriented campaigning network. It claims to have contributed to the credit guarantee agencies of the UK government refusing to invest in the project at the end of 2006, which meant the project was then open to partial nationalization.

### ***Method***

The case studies were chosen due to their focus on different aspects of economic policy on global inequalities: corporate accountability, foreign direct investment and investment treaties, trade policy and environmental governance. They were also chosen for their different network forms. The CORE network is almost exclusively British, has a two-tier structure involving a small group of NGOs in a steering function and a broader group of supporters. It focuses on technical inputs to specific public policy processes, with some episodes of public mobilization in the form of constituents writing to their MPs. The PWYP network is more international and formal, with a broader membership, and mixes technical inputs with episodes of lobbying. The TJM is also mostly comprised of UK NGOs, and is more overtly political than either CORE or PWYP by requiring official commitments from trustees to a common platform, and by being involved in public advocacy and mass mobilizations of memberships in demonstrations. The Sakhalin Island Network is much more informal, with no official membership or name. It focuses on generating information for high-profile media stories and, subsequently, legal action against government agencies. All but the Sakhalin Island Network included a variety of environment, human rights and development NGOs, as well as faith and consumer groups. This selection of cases was also based on the access that the authors could secure to both sides, the civic networks themselves as well as the correspondent political environment in terms of civil servants with whom they interact. The cases were, hence, not chosen for comparative analysis but are intended to generate insight from a diversity of civic networks that were claiming at least some advocacy success. As such, our sampling strategy can be described as nonprobability sampling with a primary focus on the diversity of, and access to, the networks.

The data generated for this paper is of four types. First, participation by one of the authors in the UK NGO community working on economic justice issues over a decade shaped the issues

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<sup>14</sup> [www.tjm.org.uk](http://www.tjm.org.uk).

that were researched. In 2006 participation in public meetings (TJM), conferences (PWYP), committee meetings (CORE), and liaison with network leaders (SIN and CORE), helped to identify topics to follow up on in the following year. This engagement in the issues being researched is a valid form of knowledge generation if done transparently, with an open and critical subjectivity, and if supplemented by additional methods (Greenwood and Levin 1998; Torbert 1991).

Second, an extensive document analysis was conducted in parallel, including online materials from the networks, official policy documents and printed information made available by network members and coordinators. This material was accessed and analysed to further identify key topics relating to the networks' processes and potential influence to follow up. The combined information was the starting point for the implementation of the study and the development of the survey and interview questions.

Third, an online questionnaire was circulated to civic network participants, with the help of network coordinators, who were also asked to complete the survey. The network coordinators circulated the survey to British organizations that were active participants in their networks, totalling about 80 organizations. As the network coordinators shared the surveys with their participants, we did not know the exact sample size. Thirty-one respondents completed the survey. Another survey was sent to 15 civil servants who were identified by the networks as people they had engaged with, of which nine completed it.

Finally, 22 in-depth interviews were conducted with civic network participants and coordinators, and government civil servants, including a minimum of one coordinator and civil servant for each network and three NGO network participants. Only a handful of people were unwilling or unable to offer an interview. All those who participated in our research were guaranteed anonymity. Additional information was gleaned from re-reading of the interview transcripts by our interviewees, follow-up correspondence with NGO participants and the media (for example, newspapers). Considering both sides of a network, the information gained from the responses of participants was contrasted with the perceptions on networks from the outside, such as civil servants and business consultants.

Both sources were analysed to determine how working in networks affects the campaign's content, functioning and methods of work, and subsequently, external perceptions of the network and its impact on policy processes and outcomes. The primary focus, however, was on the perceptions of network participants – on how they perceive their actions and the difficulties and successes they face, in light of existing insights into how organizations and networks function.

## **The Potential and Practice of Civic Networks**

The promises associated with the network concept are numerous (Giugni 1998). Networks are seen to strengthen the linkages between diverse activists, and thus encourage solidarity (Baldessari and Diani 2007) and provide information and resource flows for powerful concerted action.<sup>15</sup> When groups form a network, they may expect new attention for their claims (Keck and Sikkink 1998) and enlarge their support base through power in numbers (DeNardo 1986); single organizations, for instance, are assumed to gain higher profiles when they work through networks (Hudson 2001); and the political legitimacy of groups in the policy process increases when they work together in networks that manage to integrate the claims of different groups, especially those of Southern and Northern groups (Jordan and van Tuijl 2002). Further, the impact of networks on policy processes, agenda setting and outcomes is assumed to be higher than single efforts (Keck and Sikkink 1998; Hudson 2001); networks are assumed to allow for a variety of new tactics and influence strategies that are hardly possible to apply for one group

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<sup>15</sup> Coleman 1988; Burt 1992, 1997; Adler and Kwon 2002.

alone (Jordan and van Tuijl 2000), for instance, when groups together utilize traditional and unorthodox or radical tactics and strategies at the same time (Scheppers 2006); networks are expected to effectively combine these diverse resources, information, interests, tactics and different activist traditions and create new opportunities for collective action.

The following sections contrast the potential, or promises, put forward in the literature with the perceptions of participants in the networks studied, and the government officials and business representatives engaged by them. This section is structured into two parts. The first part presents the results of the interviews and the survey conducted with network participants in order to reveal the “inside” perspective of networks. This section discusses network promises that refer to issues inside networks, such as the pooling of resources, the generation of new approaches, knowledge and identity building. Hence, initially the experience of practitioners stands in the foreground, also highlighting in particular the pitfalls of network organizing. The second part of this section takes a perspective outside networks. On the one hand, this perspective discusses how working in a network changes activists’ perception of their political environment. On the other hand, the section discusses how the network is perceived externally, in how far perceptions of network members are reflected in the perceptions of important actors in their political environment, namely, the business representatives and civil servants they are engaged with.

### ***Inside networks***

Some of the promises of networks frequently mentioned in the literature about the internal, or inter-organizational, agenda of networks are: increased access to information, expertise and financial resources; higher efficiency through multiplier effects, which increase the reach and impact available to member organizations, solidarity and support; increased visibility of issues and underrepresented groups; risk mitigation; reduced isolation and increased credibility. An overview of the promises made in the respective literature is provided in table 1. These promises will be elaborated step by step in this section.

**Table 1: Network promises (internal)**

| <b>Promises</b>  | <b>Source</b>   |
|--|---|
| Networks bring additional strength for collective action through the exchange and pooling of resources (financial, knowledge, expertise, etc.) | Resource mobilization theory<br>Keck and Sikkink 1998 |
| Networks facilitate knowledge exchange, learning and the generation of new and creative solutions among participants                           | Dumoulin 2002   |
| Networks enable groups to mobilize and bundle their resources strategically  | Keck 1998   |
| Networks help to build a shared collective identity among participants beyond conventional movement sectors                                    | Keck and Sikkink 1998<br>Diani 2003                   |
| Networks help to bridge the gap between Northern and Southern groups   | Crossley 2003<br>Jordan and van Tuijl 2000            |
| Networks help to decentralize existing relations among NGOs  | Skjelsbeak, 1971; Smith 2005                          |

This section synthesizes insights on the promise of networks from literature on inter-organizational networks and social movement theory, before reflecting on which of these promises resonated with the experience of the participants in the four networks studied. This is done in order to identify the benefits for civic networks in particular, the opportunities they might be missing and to identify possible limitations in existing analyses. Data from the two surveys are presented, and the argument is also illustrated by quotes from practitioners from the 23 interviews undertaken during June and July 2007 with participants in the civic networks and those in government with whom they engaged. Three classic concepts of social movement research structure the discussion: resource mobilization (internal capabilities of movements through which activists seek to organize), identity and learning, and network coordination and governance. However, unlike the mainstream of this research tradition, the focus is not on the

emergence of activism but on networks that have emerged from established groupings in civic society: civic networks.

### Resource mobilization in networks

One area of focus for social movement scholars is how activists organize, with the term "mobilization structures" used to describe all those means, "informal as well as formal, through which people mobilize and engage in collective action" (McAdam et al. 2005:3). Two general arguments for networks from this perspective are mentioned in the literature (see Arquilla and Ronfeldt 2001): first, networks facilitate exchange, that makes them advantageous compared to hierarchical, competitive and conflictive forms of organizing (Gray 2003). Whether accurate or not, implicit in many peoples' understandings of a network is that they provide network participants with an equal opportunity to share and receive resources, in particular knowledge and information, where such sharing is regarded as a positive practice. Therefore the very concept of a network is argued to enable exchange (Borgatti and Foster 2003). Second, through this increase in the flow of information between actors, networks are seen as changing the nature of resources relevant for political change (Fuchs 2005). Drawing on Arquilla and Ronfeldt's observation that in political processes today, "[m]ore than ever before, conflicts revolve around 'knowledge' and the use of 'soft power'" (Arquilla and Ronfeldt 2001:218), Gorgura (2003) proposes that networks not only channel these resources more effectively than traditional forms of organizing (for example, hierarchical) but also generate new knowledge and resources by connecting and rewiring ever new actors in collaborative, compared to competitive, environments. Therefore it is argued that networks build new grounds for resource mobilization (Diani 2001).

In the case studies, the pooling of resources was the *primum mobile* for organizations to join a network—apart from related reasons, such as facilitating inter-organizational learning and the exchange of experiences among members. Knowledge sharing and exchange, and the joint creation of new knowledge, occurred along a dimension similar to the spectrum of knowledge sharing in networks suggested by Hibbert and Huxham (2007). On the one hand, the exchange of information as material for campaigns, especially targeted toward the media, was the primary mode of sharing; thus members exploited the network benefit of a broad knowledge pool. On the other hand—although this was rare—knowledge sharing was described by the exchange of experiences and opening up of "institutional boxes", as one interviewee put it. In this sense, knowledge and information are not only brought to the network and exchanged but also newly created due to the changing perspectives of network participants. Participants argued that the network benefit for their organizations derived from the fact that

You have got different organizations with different strengths...[Some] may have more of a think tank or journalistic style...By working together I think we have been much more effective.<sup>16</sup>

Different people have different connections, and get quite good intelligence of what's going on. In terms of being able to do media work it was critical to have pictures being sent as quickly as possible, to make it a new story, a live issue. It was good to be able to mix our approaches, and sometimes different groups led on different things.

In this respect, networks seem to bring together a diversity of potential sources for collective action. However, two limitations to this network benefit became clear from the data. The first is limited capacities or willingness of organizations to contribute to shared campaigns, and in particular to long-term developments of capacities of the network itself, in terms of its coordinating function. Another limitation is due to the fact that loosely coupled networks require coordination in order to develop such long-term visions and shared network identities (Crossley 2002).

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<sup>16</sup> Quoted text is taken from the interviews.

Limited capacities contributed quite narrowly to the network activities, mostly in terms of campaign support, and seldom beyond those more punctual joint actions. Although the statements in the survey turned out to be in favour of strong support and the willingness of members to substantially contribute to the networks, the interviews gave a more hesitant image of membership and resource contribution. In the survey almost half of the respondents (48 per cent) stated their work in the network to be a major activity requiring contact with other members about once a week on average, more than half of the respondents were granted a budget as well as a mandate for their work for the network for the upcoming year, and 88 per cent confirmed that it was of crucial importance to their organization that the network lasts. In the interviews, however, resource scarcity was seen as a major obstacle to effective network operations. As commonly noted in the literature, resource scarcity is an obstacle to network formation and maintenance (Provan and Kenis 2007). However, the case studies revealed issues of resource scarcity within networks of relatively resource-rich organizations, unlike in networks that arise from grassroots movements. The issue is not a lack of resources per se, as often reported by social movement scholars (Kriesi 1998), but rather the alignment of widely divergent and established organizational strategies and the resulting allocation of resources to collective efforts. In particular, large organizations with a strong campaigning background in other fields, such as environmental and human rights groups, reported on these struggles of resource allocation to the network in face of their own organizational needs and missions: "That really is a struggle. For all of us. A common perception I would say among pretty much all the members, certainly the very active ones. There's and will always be a tension between our own organizational priorities and CARE's priorities."

Hardy et al. (2006) describe this tension as inherent to collaborative processes when network participants are being caught between two stools: being representative of their own organizational interests as well as part of a network and attached to a collective issue. The inherent struggle that derives from this situation are described by one participant who coordinated the involvement of one of the larger NGOs:

The issue is when we do work in alliances, there's obviously a desire, which we would share, which is to get the brand of the alliance, the network, out there. At [name of the organisation], we were, along with other organizations, wanting to get PWYP's identity out through the media. And we would happily do that, but we would also have a need to get our own brand out there as well, because that's part of our job – so the internal tensions that were created were that sometimes we were saying to our media colleagues 'can you do both these things?', and sometimes they would understandably come back to us and say, 'look, which is the more important?'

Even stronger tensions were observed when discrepancies exist between the strategies and values of the single organization and the overall strategy and campaigning approach of the network. The terms that best describe this internal conflict in the cases studied were those between so-called inside versus outside approaches (Schepers 2006) toward campaigning and policy change. Due to the nature of the networks, which are often used for campaigns with less focus on permanent policy work, established organizations often perceived difficulties in bringing in their competitive advantage, for example, of having the political capital that can be decisive for their mainly inside-oriented strategies. According to a member of an established group, "The big tension [in the network] has been between our model, and a model that's been all 'outsider' – the view is taken that change is only achieved from pressure from outside, and the insider track is dubious, or questionable".

Representing the opposite side of this strategic spectrum, others – often strongly campaign-focused groups – add another important resource to the network: large supporter bases. These groups are public-oriented in a more straightforward way, especially in their interaction with the media. Network members, hence, are diverse and have unique resources that allow them to participate in a network and also define their potential role to play. Integrating those different

approaches, however, is extremely difficult and often members struggle to switch between the organizational and the network roles:

They [members of the network] may not always work as in a network formation—they spend much more time and energy meeting with [civil servants] wearing their own organizational hat. ...It can sometimes be limiting to operate as a network, because it may be better to use your own channels and reflect your own organization's perspective or expertise than stick to a collective voice.

We always retain a flexibility to not compromise the network members' freedom to be who they are, and choose the times when we want to be a network as one.

However, concerted efforts on behalf of the network are key to a network's success in policy change processes, but this often requires a strategic balancing act:

You need to channel your resources effectively and influence decision makers taking different angles: through direct lobbying and contacts that reach them personally, but you also need to build strong pressure from the grassroots and have a visible, more activist-oriented strand of your campaign. That's extremely difficult to coordinate sometimes but I think only both—those two together—create the climate for change.

In a similar vein, and from his experience in the environmental movement, Rosenblatt (2004) derives three different types of participant groups in the activist network: people-, resources- and solution-oriented groups, each with its own set of optimal resources, experiences, organizational structures and strategies. Although groups internally often focus on more than one orientation, Rosenblatt (2004) argues, in line with network research on social movements (Diani 2004), that networks are much more effective when, at the level of aggregated network units, expertise is further developed and specialized.

#### Learning and identity in networks

Scholars propose that networks offer more for the development of knowledge resources than just facilitating information exchange; participants in a network can learn together about pursuing collective efforts, hence creating new knowledge (Hibbert and Huxham 2007).

However, this kind of value creation through learning in networks first of all requires a common objective or goal (Purdue 2007) in order to prevent participants from "selfishly acquir[ing] knowledge exclusively for the participant's own organisation" (Hibbert and Huxham 2007:124), which would run the risk of the resources of some partners being exploited by dominant parties and free riders. Compared to networks in the business world where common goals are defined through profit orientation and network effectiveness is measurable in tangible ways such as patent registrations (Provan and Milward 2001), the definition of a mutual goal appears to be more difficult for civic networks.

The study found that civic networks focused on identifying goals that were at the overlap of the objectives of participant organizations, and sought to cherry-pick specific objectives, such as providing inputs to a particular policy consultation. The networks' activities were not explicitly concerned with developing a common understanding of deeper economic policy issues or unifying a grassroots movement (Diani 2003). For instance, prior work by UNRISD found that NGO professionals working on corporate responsibility and accountability issues have broadly four types of views on corporate power (Bendell 2004). For some, corporate power presents an opportunity, if it could be directed to better use. For others, corporate power presents an obstacle, a problem in a specific case because it is being used in ways that hinder their particular social or environmental objective. With both of these perspectives, people are not inclined to speak or think of corporate power as one phenomenon, rather as being different, depending on

the corporation in question. Others develop a wider and more categorical critique of corporate power, considering that it is an obstruction, a general systemic problem arising because of the logic of capital accumulation driven by stock markets, which leads to externalizing costs, and shaping discourse in ways that would always hinder social and environmental objectives. A fourth attitude to corporate power regards it as obscene. Such people consider it morally wrong for corporations to wield power, no matter how it was used, because they consider human self-determination, freedom and democracy to be fundamental; therefore, the most powerful institutions in society must be democratic, or effectively controlled via democratic means, as a matter of principle (Bendell 2004:19). Not exploring the different perspectives on the systemic challenges of corporations, international trade and global capitalism means that formal opportunities for learning about causes, solutions and strategies is limited within the networks. However, it also means that coalitions can be maintained at a more superficial level of agreement, and thus specific objectives can be pursued in the short term, and the deeper issues addressed more informally by network participants.

Hence, rather than addressing challenges to processes of shared goal development based on different ideological grounds, participants put forward difficulties in aligning more concrete operationally different approaches. As one respondent describes it:

We had monthly board meetings...and they were pretty functional, pretty good, effectively-run meetings. [The board members] did things in a good, business-like kind of way. Beneath that there was, however, a planning group, which was a more operational management group, as opposed to the Board, being the strategic leadership group. My colleagues who worked in that group said that there were more difficulties. But that wasn't so much a problem of different ideologies, but the problem of the different organizations taking different operational approaches that had to be worked out in that group. And I think the planning group bore more of the brunt of those differences because they were also meeting more often and were more immersed in the details of the campaign.

Related to these concrete challenges that had to be mastered together, working in networks was generally seen as encouraging and motivating, especially for experts who normally work in relative isolation on issues of economic justice within their own organization. "When you work on specific policies, you are struggling with this often alone. If there are others—counterpoints or colleagues in other organizations that you can come together and meet with regularly, it does form a sort of basis for encouragement, shared enthusiasm for what you are doing, as well as a reaffirmation of purpose, in a sense."

Learning is often mentioned as contributing to the development of a shared identity and equal opportunities in networks (Bonner et al. 2005). However, networks can also waste this potential when members "exclude or side-line the consideration of learning: either implicitly, because the collaborative agenda is focused elsewhere; or explicitly, because it is regarded as unimportant" (Hibbert and Huxham 2007:124).

The potential for learning was less than sufficiently utilized by the networks studied. From the perspective of the level of formalization, learning was seen as a side issue and resulting from a general interaction but was in no case found to be proactively initiated, fostered or formalized through feedback or evaluation processes. As one respondent says: "I wouldn't say there are many opportunities for learning in the sense of formalized training or regular exchange and all that, because that's not how it works here. Our aim is to increase our impact and make all our work more effective. If we can learn from others in this then this is what happens anyway."

This statement supports Beamish and Bedrow's (2003) argument that lacking proactive efforts toward the initiation of learning processes does not per se exclude learning from occurring in networks. In a similar vein, this learning by doing mode was described as forcing members to "think outside of their institutional box", representing a challenge especially to the majority of

the established inside groups (Schepers 2006), getting them "out of their comfort zone in the NGO community", as one respondent explained. Interviewees reported on cases where established inside-oriented groups joined campaigns that put forward messages to the public and the media that were not in line with "the traditional message they [the established groups] would give to policy makers and corporations". Grassroots-oriented groups in turn are urged by established groups to adopt their approaches to the joint message the network wants to communicate in the policy process (Rosenblatt 2004). On the one hand, such interaction can be viewed as leading to compromise or creating intellectual and strategic incoherence (Bennett 2003). On the other hand, this interaction can enable realization of cultural commonalities and develop a shared identity within the networks. As one network participant said, "[Working through the network] provides numerous learning opportunities, especially when you work with traditionally rather disparate actors. Then you have people with different experiences and bringing different perspectives, and that makes for lots of learning and a better outcome, generally."

Learning then results from the tensions that arise by combining the needs of different groups. The literature on networks proposes that learning in networks happens horizontally, developing cohesion out of fragmented and divided groups; and vertically, connecting less powerful (often local) groups to powerful groups, authorities, agencies and other groups relevant in the policy area (Purdue 2007).

Besides the learning opportunities between inside and outside groups, the contestation between Northern and Southern groups is frequently mentioned in the literature as leading to special tensions but also as offering new identity-building potential in networks (Crossey 2003). While networks were mainly busy with targeting national policies, we expected that the transnational impact of those policies ("actions in particular countries with a global significance" as described by Marchetti and Pianta forthcoming:11.) would lead to a stronger direct involvement of Southern groups through networks.

However, this was, with the exception of one network, not the case. Although almost all networks show links to Southern groups, and some report the issues they work on in the North as interesting for Southern groups as well, Northern-Southern correspondence remains mainly, as the respondents put it, on the level of Northern NGOs "bringing [Southern] case-studies forward" in order to get "convincing material to back up" their claims and to "maintain that legitimacy of representing a local view". Except for this role of Southern NGOs as sources of "credibility and advocacy" for Northern NGOs, only PWYP emphasized mutual exchange as essential to the network and highlighted the need for future more active membership of Southern NGOs, advancing learning processes between Northern and Southern groups and herewith ownership and control of network' outcomes also for Southern groups.

Learning requires managing psychological dynamics, trust, defensiveness and conflict (Purdue 2007), and an openness and flexibility to reframe issues (Gray 2003). Reflection through network processes can offer a way to tackle differences step by step between members. A trusting network culture is thus required if network members do not want to settle for a half-hearted commitment to their cause. Learning in networks, related to identity building, thus consists not mainly of processes acquiring information and technical skills from other network members, but undergoing an internal change as well, creating new knowledge and developing greater reflexivity (Purdue 2007). Essential for this kind of knowledge sharing is an understanding of various dynamics specific to each network that does not derive from a one-fits-all approach but through processes of thorough evaluation.

Evaluation mechanisms, however, barely existed among the four networks examined. In three of the four cases, our inquiry was said to be the first external evaluation of the network. Because learning emerges along the process rather than being systematically initiated and evaluated, this often leads to limitations to learning effects in networks. A lot of network members complained about a lack of reflection and analysis on how the network works, saying that

“there hasn’t been a great deal of creative learning” and “it [the network] is been very much operationally focused and not reflective into what has worked and what hasn’t”.

A shared identity and self-understanding of a network as being part of something bigger, as frequently described in terms of a movement, builds an important part of activism in networks compared to single efforts. One factor facilitating strategic formation in a movement is its density or the linkages it shows between networks (Diani 2001). As mentioned before, although geographically quite close, only a few respondents actually perceived their organization as part of a movement that goes beyond their direct partners: “I really don’t think of [network] as a bigger movement or so. I think it is a quite narrow group of NGOs and getting involved in a network is a pragmatic matter to get more of our message out. That’s about it.”

While some of the networks possess an internationally oriented action plan and are members of global policy issue-oriented networks, coordination mechanisms among national groups were merely described as advisory boards, comprised of national and regional representatives that keep an eye on national policy developments and the interventions of single groups and networks. Coordination efforts, in the sense of a transnational movement, thus remain on a more advisory level with informal exchange but no formalized coordinating structures or mutual strategic adjustments between networks. Strategic commonalities emerge rather than being proactively identified and addressed by national or issue networks. One respondent framed this process as follows: “For me, it was more that the things we have in common the issues we want to address, they developed. So our strategy was more evolving. More like a fluent process than a clear strategy from the beginning!”

The recognition of being a part of a bigger picture of civic society in this respect is not a starting point for establishing civic networks in the cases examined but rather an outcome of network activity. Because they consisted mainly of established actors, one respondent summarized their specific challenge as “building the idea of a social movement” among organizations that are established in their field of expertise, and contrasted it with the initial challenges faced by grassroots mobilization that often build the focus of social movement research (Rosenblatt 2004).

These statements are in line with Bennett’s (2003:17) more sober observation that

[w]hile networks can reduce the costs and conflicts often associated with bringing diverse players into issue and protest campaigns, they also may harbor intellectual contradictions that ultimately limit the growth of ideological or even intellectually focused movements. Rather than pushing toward ideological commonalities, activist networks then more often function as pragmatic information exchanges and mobilization systems.

Further research is required on the management of learning in civic networks. Given discussions about the representativeness of civic networks (Marshall et al. 1999) and their accountability (Bendell 2006), this research should go beyond the emergence of activism and put a stronger focus on processes of reorganization and learning among established and less established Northern and Southern groups in civic networks. This could then inform how network governance and coordination could more effectively facilitate the accessing and strategic coordination of resources and generate learning among members from diverse organizational backgrounds.

#### Civic network coordination and governance

Questions about network governance and coordination are of crucial importance to enable processes of resource alignment, and learning and development in networks. Despite its importance, however, network governance and coordination is an area of research which lacks an adequate level of attention in the literature so far. Provan and Kenis (2007) in their recent review on this issue give several reasons for scholars’ disregard of efforts “illuminating the

structure of collective action" (Powell et al. 2005:1133). They argue that scholars have to learn to develop a network perspective themselves, as most studies still focus on rather the single organizational perspective *on* networks without taking overall network aspects into consideration, such as its governance and coordination. Another reason Powell et al. (2005) see is the reluctance of network and collaboration scholars to grasp issues of hierarchy and control which stand in stark contrast to the fundamental idea of networks as non-hierarchical collaborative arrangements.

Despite this lack of attention paid by academics, network governance and coordination represent important challenges to practitioners and network managers. The most prominent proposition about coordination and governance in the literature is that networks are more decentralized, flexible and, as some argue, more democratic (Fuchs 2005) than traditional hierarchies. One can therefore argue, like Keck and Sikkink (1998), that in the face of the "NGOization" of activism in some countries in the past decades (Bendaña 2006), networks help to decentralize existing inter-organizational relations among groups. However, this study approached the issue of governance and coordination in an explorative manner and without any concrete idea of how the networks manage these issues. Hence, after describing how the networks found solutions to these issues, the paper will subsequently look at whether governance and coordination led to networks becoming a bridge between organizations.

The diversity of organizations involved in civic networks represents, from a network governance and management perspective, a set of significant loosely arranged modules which can be rearranged to adjust to new challenges externally as well as internally (Rosenblatt 2004). This form of organizing comes close to what, in network research, is often labelled "bounded autonomy" (Kickert et al. 1997:266). Bounded autonomy in this sense refers to the capabilities of networks to mobilize participants in a way that, although the network benefits from the combination of different strengths, single identities are kept, and the identity of the network does not confound the goals and principles of individual participants (Diani 2001). Decisive in this respect is not only the strength of bounding ties, in the sense of developing solidarity among network members (Adler and Kwon 2002), but also the coordination and governance of networks as a whole (Provan and Kenis 2007) in order to get a grasp on all different sources of potential value to the collective action. Compared to market-based or hierarchical organizations, in which the range of possible steering structures are limited to existing frameworks of, for example, market competition, the exercise of developing such structures in civic networks seems to require open discussion among members about what kind of resource control and what level of formalization are acceptable to them. This exploring of possible governance forms and their negotiation require learning and trust among members (Diani 2003).

Rosenblatt (2004) describes this process for the environmental movement and emphasizes that, through organizing in networks, groups enter a next phase of strategic evolution and have to think of "the network" beyond organizational boundaries as a whole so it can be more powerful and more effective than single efforts. Issues of steering and control in networks are discussed among public management scholars rather than in the literature on activism and movements.<sup>17</sup> In this literature, an array of steering and control mechanisms is proposed, formal and informal in nature, that enable network governance, ranging from outcome control (for example, goal setting and evaluation, performance monitoring and rewarding), to behavioural control (such as planning, procedures, rules, norms and regulation), and social control and institutions (for example, boundary setting processes through member selection, and trust building or peer evaluation).

Those mechanisms were only rarely found among the networks under study, which, in general, showed only low levels of formalization and coordination. For instance, reporting structures and evaluation, as discussed for network learning and identity, rarely happened through

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<sup>17</sup> For a detailed review of the network literature, see, for instance, Oerlemans et al. (2007).

organized initiatives. Similarly, membership was loosely managed, in most cases not even requiring a letter of engagement, and only 25 per cent of the respondents said their network required a membership fee. All networks, however, had a board, and often sub-themes and groups were coordinated by these boards but also showed a high level of independence, which means they were established for each campaign separately, and planned and implemented their actions independently. Although all networks showed basic structures of coordination, in terms of boards or steering committees and subunits, such as task forces that built the operational level of network operations, three issues were frequently mentioned in the interviews to build future challenges: formalization, durability and inter-connectedness.

First, a common concern put forward by the participants referred to the stability of the networks' own coordination and governance structures beyond punctual campaigning. These comprehensive and enduring structures were seen as essentially allowing members to work on cross-cutting issues—such as economic policies—increasingly extracting their “systemic nature”. This was often mentioned as a request to build up a durable knowledge and resource base which benefits all members' engagement in these issues in the long run while keeping their organizational mandates as, for example, environmental or human rights NGOs.

Contrary to these concerns, a different organizing and coordinating paradigm was identified through the survey data on the actual network level itself that basically opposes these intentions toward durable structures. A strong tendency toward punctual collaboration and campaigning was the major organizing principle among the networks under study. Mainly consisting of campaigning NGOs, network participants were described as strongly action and outward oriented, hence, hardly any attention, in terms of time and resources, was allocated to ongoing in-depth research and investigation. Although 88 per cent of the respondents said it was important for their organizations that the network lasts, this orientation led some respondents to put forward their concern about a lack of investment of resources into continuous “background policy work” that gives the network's claims credibility: “I'm worried that they [future campaigns] won't have the bite they had in the past because they won't have that solid research background”.

One reason was mentioned to be the general attitude of participants to first serve their own organizational needs. Engagement thus was described as more or less cyclically, depending on the organization's priorities and the fit of the overall agenda of the network to these. Hence, coordination efforts and resources contributed to the network were limited and often remained at the stage of punctual commitment and the establishment of organizational structures only in terms of steering committees for single campaigns.

Some future steps in the direction of more permanent structures for network coordination and governance, however, were proposed, often along with an expected growth of the respective network. An important issue for this process of organizational integration was the establishment of the network as a separate entity, mainly in terms of a formalization of membership of the board and decision-making structures but also through membership fees, administrative reporting functions and annual reports. Besides recognizing this necessity of building mechanisms that help steer the network, however, several respondents emphasized the importance of “keep[ing] the ground free of administrative pressures”, and continue to build “specific alliances around certain areas”. Further, the question of how far permanent structures in terms of steering committees also allow for continuous policy work was questioned by the respondents, as resource scarcity was mentioned as the major obstacle to the development of a working core in the networks. The need for this kind of work and organizing structure was mentioned, however, in order to build a strong core that develops substantial knowledge and resources upon which thematic groups and the steering committees can draw.

Second, building stronger linkages among network members as well as between networks was mentioned as a future challenge to effective network management in order to further tackle systemic issues of economic policy and contestation.

At the time of the study, however, those linkages were rarely found among networks. One criterion that facilitates such linkages was identified through the parallel membership of leading organizations in two or more of the studied networks. Those linkages reveal the rather elite membership structure of these networks. So-called board interlocks among networks (Diani 2003) were most strongly found between two of the networks (CORE and PWYP) but were generally typical of the structure among these networks. Further, one network showed linkages to another European-wide coalition. Hence, linkages to other networks can be assumed.

The lead members of CORE are also lead members of PWYP. Although TJM has been officially on the activism side of the Companies Act campaign work, a lot of this work was done by [two member organizations]. Were [those member organizations] doing it as members of [this network] or members of CORE? I'm not sure they know the answer to that or if it really matters. The point is that [network] has been, in the past, very much a policy development and coordination group, specializing on corporations. TJM instead has been much more the mass mobilization campaigning side. However I think that although the relationship may have started like separate strategies a couple of years ago, it's not longer that clear-cut. There are certainly elements of activism and campaigning which CORE is very much involved in, and there are certainly elements of policy development which TJM is involved in.

This statement of a participant representing one of the leading organizations further implies that networks allow organizations to address different issues by using different approaches of activism at the same time. However, it also shows that lead organizations potentially have a fairly dominant influence on the strategic development of these civic networks. The question then remains how far learning can bridge these leading organizations and their dominant influence on the networks' coordination and how far other organizations, besides those leading ones, and in particular Southern groups,<sup>18</sup> can be integrated into such governance structures. Further research is required into the implications of network governance and coordination for the relationships among groups and the hierarchy within the broader field of activist groups and movements. So far we can only say that governance processes in networks were found to consider equally all participants through consensus-based decision making; however, more systemic power hierarchies seem to leverage high levels of control and influence to a core group of organizations which appear to hold positions on the board of almost all networks.

### ***Outside networks***

Civic advocacy in networks involves learning political strategies and adopting strategic postures toward powerful governments and international organizations. NGOs that seek to influence public policy through networks employ a diverse repertoire of methods that conform to the dominant model of NGO advocacy strategies but also display significant differences, as illustrated in the following section, which focuses on issues outside networks. Following the structure of the previous inside perspective on networks, this section will first present an overview about the promises of networks for the role of NGOs in the policy process, analysing how far they resonate with the experiences of the four networks under study.

This discussion proceeds in two steps. First, it will address external issues of how organizing in networks affects the political opportunities that members perceive and how this differs from their single organization's perspectives. The second part focuses on impact-related promises. Both parts are primarily based on the presentation of the perceptions and experiences of network members. Additionally, however, both parts include a reality check, in the sense of external participants of the policy process elaborating upon their impression of the policy work of the networks. Therefore, both sections compare the perceptions of network participants to the information gained from civil servants and company representatives who build the external perspective on networks in the policy process.

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<sup>18</sup> This differentiation of Southern NGOs versus Northern NGOs is taken from the literature (Schepers 2006:285).

**Table 2: Network promises (external)**

| Promises   | Source  |
|--|---|
| Networks strengthen the institutional flexibility of groups by addressing different institutional actors and levels (for example "venue shopping", or "boomerang pattern") | Baumgartner and Jones 1991, 1993; Keck and Sikkink 1998 |
| Networks show a more sophisticated awareness of the political opportunity structures within which they operate   | Tarrow 1994   |
| Networks allow to directly and strategically explore political opportunities and address policy issues   | Keck and Sikkink 1998                                   |
| Networks strengthen the visibility of activism and the impression of a collective approach of different groups in the policy process                                       | Diani 2003  |
| Networks strengthen the political legitimacy of groups   | Hudson 2001   |
| Networks bring new issues to the agenda of policy processes  | Keck and Sikkink 1998                                   |
| Networks transform the terms and nature of policy debates  | Keck and Sikkink 1998                                   |
| Networks increase the impact of activist groups on policy outcomes   | Keck and Sikkink 1998                                   |

### Network perspectives on political opportunities

Traditionally, political opportunities for activism are determined by the structures of institutional politics. These structures, on the one hand, define the level of responsiveness to activists' claims and on the other hand, the level of repression of activism in a political system. Drawing on the works of political process theorists (McAdam 1982; Tarrow 1989, 1994), scholars, mainly European, have compared numerous national political settings and their influence on activism.<sup>19</sup> Since then scholars have been redefining the concept due to the transnational activities of networks and the increasingly dynamic relations to other actors than national governments (see, for instance, Marchetti and Pianta forthcoming).

Although scholars found that national policy settings influence transnational activism in contemporary networks (Giugni et al. 2006), activism is no longer seen as simply a matter of repressed groups fighting the state (Goodwin et al. 2001). Instead, scholars situate activism in a dynamic relational field in which (Goodwin et al. 2001) interests of allies, opponents, together with the openness of the public to change, and the existence of supporting groups and elites (Joppke 1993), all influence the emergence, activity and outcomes of contentious politics (Goldstone 2004).

Following the promise put forward in the literature, our question was how far has organizing in networks changed the perceptions of network members about their role in the policy process and how they, based on this changed perception, have explored their environment for opportunities in pursuit of their claims.

The first set of promises identified in the literature addresses an increase in the awareness of political opportunities in networks, compared to a single organization's efforts through a changed self-perception of members as part of a network. This network effect can be confirmed for the cases studied: for instance, 44 per cent of the respondents perceive the network to better demonstrate the "interconnectedness of social and environmental challenges", and 51 per cent claim a larger supporter base: "It makes us more effective than we would be individually; it gives us the opportunity to have platforms to be heard, or to organize events jointly, shared lobbying platforms...it opens up a number of ways in which we can maximize our input on the issue, in ways that we might not be able to if we were just working on an issue on our own".

In a similar vein, 52 per cent of the network participants perceived the network as more legitimate and 76 per cent as more powerful, compared to the efforts of their individual organizations. As one participant remarked, "Yes I think you can extrapolate this to all issues.

<sup>19</sup> See, for instance, Kitschelt 1985; Kriesi, 1998, Kriesi et al. 1995

None of these [policy processes] are easy to change—I mean to really show an impact—as an individual organization. But when you have a coalition then it does look much more solid, and people think ‘Wow, there are all these organizations working together with this message, there must be something serious going on’.

But how does this strong image substantially affect the opportunities explored by networks in comparison to traditional organizational strategies? One part of this expected change addresses shifting perceptions of what is possible, based on the means offered by the existing structure and brought to the network through the different institutional lenses of members. Although objective conditions of the political environment in which a network is embedded (Diani 2003) build the basis for the dynamics of contestation, these have to be interpreted by the network as opportunities or threats before they become reason enough for action. Therefore, activism is enabled not only by the effect these conditions have on power relations but also their effect on the networks’ interpretation of them (McAdam et al. 2005). Hence, in a network the same event or intervention can be interpreted by some as an opportunity and by others as a threat, and an exchange of views may change them. This exchange of perceptions and possible change of perceptions through networks can create new opportunities and open up potential for intervention beyond those of single efforts, or as one NGO respondent put it:

When NGOs work on their own they work within a fixed political framework of what matters to them, what falls into their responsibility and first, what they think is possible to change. Take for instance [organization XY]—they have the lens of international human rights law. There is no responsibility in international human rights law on companies, no legal responsibility. That’s why they see all issues through the lens of the nation-state and that’s why exchange is so important. It’s all interwoven.

Such perspectives then have to pay close attention to the cultural traditions, ideological principles, institutional memories and political taboos that create and limit the single organization’s perception of political opportunities (Diani 2003). However, the dominance and control of established groups over the probably less risk-averse perceptions of political opportunities of other groups can lead networks to jeopardize this added network benefit. As one respondent stated:

If you appear as a network you are expected to put forward a straight message. Without giving them all the list of side issues that popped up in our discussion but aren’t useful to get our message through. You have to compromise. So if your organization thinks that is important and a great opportunity to push it through but others are more hesitant then it can be a disadvantage in that way.

However, looking at networks “from the other side of the desk”, as one civil servant put it, this network effect was less recognized. While three out of seven civil servants generally perceived networks as more powerful than single NGOs in the interviews, not one of them reported a changed perception of an NGO because it was part of a network. Often, civil servants did not even know the composition of the networks. Therefore, they did not differentiate between whether their departments were approached by an NGO or a network’s representative:

We don’t find that NGO networks specifically target us. Sometimes it’s an individual NGO, sometimes it’s a network of NGOs. We gratefully receive the comments from anybody. So there isn’t anything specific about networks that makes them more or less attractive to us.

They don’t communicate with us on behalf of the [network]; they communicate with us and sometimes we see that they’ve copied those communications to everybody else. So we don’t really differentiate between network and an individual NGO.

It's difficult to say, because I don't know—nobody has formally told me—who actually is in the TJM.

In the eyes of the civil servants, the major obstacles encountered by networks in the policy process were the networks' lack of credibility, deep knowledge and reliable sources of information, and knowledge about the policy process, as well as their overly confrontational approach. Often more credibility was ascribed to a single organization; some civil servants remarked that the coordination of information and its reliability were the major problems of networks, and often single organizations were seen as much more reliable. Moreover, the dominance of only a few leading organizations in the network, and their linkages and personal relations to civil servants, continued to represent the strongest impression of civil servant-NGO contacts and exchanges. During the interviews, the same NGO representatives were mentioned by the civil servants several times, regardless of their affiliation to one of the networks. One business representative saw one of the leading organizations, rather than the network as a whole, as the "lobbying counterpart in the UK". Similar to the board interlocks among the leading NGOs in the four networks, the interviews with external recipients revealed a more elite structure of NGOs in these civic networks.

Keck and Sikkink (1998) further argue that multiple organizational angles enable networks to grasp opportunities on different levels and with different actors, targets and allies in the policy process. Networks, in this respect, are not simply exposed to a political environment of opportunities and constraints offered. Instead, activists themselves can create opportunities by expanding the political sphere that is applicable to them, by creating ties to other actors and structures, national political systems, the international political system, and international civic society and market systems (McAdam et al. 2005).

Creating new ties, as mentioned in the literature, was found to be rather limited in the cases studied. Despite the small circle of well-known UK NGOs, only one network involved other sectors, such as government bodies and business representatives, but none in a governance capacity. Other networks were purely civic. For the future, their focus was in involving more NGOs in the network, such as those working on different issues (33 per cent), Southern NGOs (45 per cent), faith-based groups (41 per cent), and trade unions (45 per cent). A stronger involvement of business was less desirable (4.2 per cent) and governments not at all. Some benefit was seen in future involvement of multilateral institutions, such as the United Nations (8.2 per cent) and of media organizations (22 per cent).

The reasons for this approach toward cross-sector involvement in the networks seems to be a critical view toward business influence on policy process. Eighty-six per cent of the respondents saw risks in the involvement of businesses in the work of the networks, and 98 per cent generally saw the involvement of businesses in policy processes as problematic. Although 48 per cent of the respondents said businesses lobbied on fairly similar issues as those advocated by the network, only 8 per cent perceived business' lobbying as sometimes in line with the network's aims, and 44 per cent saw no similarities in their lobbying goals. With government representatives, compared to business, the boundaries were more blurred. Twenty-five per cent of the respondents knew at least one person in their network who previously worked for the UK government, and 48 per cent were in contact, through the network, with civil servants who had previously worked for a NGO. The cases do not give much of an indication of the networks exploring new political opportunities through the generation of new ties to non-traditional partners. The reasons for this are many, as further involvement of either business or government would pose challenges to the ability of the networks to campaign. However, the potential of networks to connect diverse groups with different power means that this could be reconsidered, and is discussed later under strategic challenges.

#### Network perspectives on policy change processes

Another claim put forward by the literature proposes that networks enable more coherent and direct policy contestation as compared to single efforts, allowing members to put much more

weight into their claims and strategies than through single efforts (Keck and Sikkink 1998). On the one hand, these promises point toward a more differentiated and strategic perception of the policy process through a network perspective. On the other hand, a more strategic and coherent application of strategies through networks compared to single uncoordinated efforts is proposed.

McAdam and colleagues (2005), drawing on Ross (1977), argue that errors in the attribution of cause, and therefore fault, are more likely when groups work on their own rather than in larger groups. Single groups frequently see grievances, concerns or dissatisfaction with how a policy process develops or with its outcomes, as a function of their own deficiencies rather than a feature of the surrounding system. Only system attributions and thus critiques, they argue, afford the necessary rationale for a network's activity (McAdam et al. 2005), or as one of the respondents put it: "collecting different opinions and experiences around an issue, we want to give the overall picture and clarify once and for all that company law and accountability is not a concern of a few niche NGOs but a widely shared system critique".

Through networks it is proposed that activists are able to proactively scan the political landscape in order to develop systemic rather than individual critiques and thus establish a background of rationality for their claims, for example, pointing toward differences in policy settings and transfer solutions from one policy setting to another through analogous interpretation and framing. This recognition of parallels was a change in perceptions that occurred in the case studies:

it became clear that this was going to be a big issue, it wasn't just isolated to the UK. It was an important one in many different countries. And there was a whole wave of corporate responsibility movements, NGO coalitions and campaigns on these developmental and CSR projects addressing all kind of institutional levels. So then it became clear that we here in the UK weren't the only ones busy with this stuff.

However, the question we had then was whether the shared critique and joint claims put forward by the network indeed appeared to be more systemic and fundamentally challenging than single efforts. Network participants believed this was the case, frequently reporting to better see "the big picture" and develop a more comprehensive understanding of how policy change works.

The majority considered that policy processes are typified by decision makers mediating between competing interests in society and that pressures come from within different governmental departments as well as from external stakeholders. Also important in the NGOs' assessment of how to interact with policy makers is their analysis of how other NGOs and groups influence those processes, as well as directly consulting civil servants.

The objectives of the network campaigns were equally determined by external factors, such as the government's policy focus and agenda, and ongoing efforts to change which offered a political window, as well as internal factors, such as the most commonly defined advocacy topics among members and a priori analyses of network founder organizations of the deepest challenges—its *raison d'être*. A more deliberate approach toward intervention in the policy process through networks was not obvious in the case studies. These, more proactive strategies were partly realized through public campaigns and external pressures, which once again highlights the importance of both internal and external strategies of civic networks (Dalton et al. 2003). More frequently, however, we got the impression that the network enabled members to see more chances—political windows—but those were offered by the process and not proactively pushed for and opened up by the networks themselves. As one civil servant said: "What TJM was aiming at and what they have got so far from us—they have got some things—are the bits which were always in relatively easy reach."

So, are groups that organize in a network really more powerful in their interventions than single groups, or do all the negotiations in the network pre-emptively filter the more radical ideas in order to present the approach more coherently, thereby reducing the power of the advocates of more radical positions? The impression from the cases studied was mixed. A respondent describes it more negatively:

Working through a coalition can make it easier for government to put you in a box. So effectively, they'll get all the critics in one room at the same time and dress it up as a consultation, but actually what it means is that all of us lot have to engage with each other and not bring out our full agendas which are what I think much more straight forward points than what comes out of the negotiations in the group. Those are often so full of compromises that it becomes difficult to see your message in there. And for them it is quite convenient. I mean they can just bat off questions that come from one group in one session, without having to feel the pressure of having to meet with a lot of different stakeholders and have to respond to them and justify their approach again and again.

Others see networks as an increased pressure on governance that also enable organizations that have fewer resources to engage in extensive long-term campaigning and policy process advocacy and lobbying. Many of the respondents were prepared to accept a loss of direct expression of their positions, in return for the network benefit of long-term lobbying, credibility and resource flows:

Many organizations just do need enhanced credibility. There are a lot of fairly radical NGOs that might find it hard for their voices to be heard in government, but they have a lot to say that's very legitimate. Becoming part of the broader, more mainstream, group together with less radical groups as well, church groups, and unions, gives them a voice and a backing that they wouldn't have otherwise with government and others. I think for plenty, there is actually enormously enhanced credibility. Obviously there are costs that come with it, which are that you can't just push your line.

The literature suggests that cohesion among network participants leads to more effective interventions in the policy process and enhances the impact of NGO claims on decision making (Sikkink 1993). What emerged from the participant surveys was the impression of a network's power and impact, compared to those of single organizations. However, the civil servants interviews said that networks were easier to handle, compared to single efforts by several individual organizations. A lack of cohesion was also perceived as weakening the penetrating power of network claims because campaigners could not seem to agree when, how and whom to approach among the respective governmental departments and civil servants. The common perception of networks by civil servants was far from the impression of "one voice, one claim":

By no means do we only ever get one request for one thing. So the network will exist, but it's not formalized, and it's not infallible. We do get duplication, among those people that [the civil servant] will meet. And we might get requests from some of them, for effectively the same thing. So we don't see it as one voice – I think it is much more a loose, less formal network.

In conclusion, the self-perception of member organizations changed because they were part of a network. They perceived themselves as more powerful and benefited from the different perspectives and resources brought together. Only to a limited extent was this confirmed by their environment. Civil servants perceived networks as easy to handle because they felt that by talking to network representatives they could achieve at one time what used to take them numerous consultations.

Additionally, it is often argued that networks give leeway to members to follow up different strategies and allow for more radical approaches toward the policy process. However, civil servants do not really see the whole network but rather continue to talk to the same people

from the same leading organizations. The question therefore remains: how far are these organizations are really able and willing to push through the network approach, even though this is contrary to their own organizational goals and tactics?

## **Network Impacts**

The research found that many of the promises of networks are reflected in the civic networks studied, although not systematically realized by the participants or network coordinators. The implication is that efforts to impact targeted policies might have been more successful if the networks were more strategically employed. This section reflects on the impacts that networks had in shaping public policy, which helps set the context for discussing strategy more fully in the subsequent section. It also discusses challenges to the effective management of networks, some of the drawbacks that emerged, and the extent to which networks enabled independently strategic rather than historically repetitive behaviours. The focus on policies is not to undermine the importance of the potential impacts of the networks on the participants themselves, which may be more important in the long term, but to give some insight into the immediate external impacts that have been realized already. Nevertheless, to augment the earlier discussions of the networks' impact on the perceptions of and about the participants, this paper also provides some evidence of the level of mobilization attained by each network.

It is difficult to attribute the cause of a particular event in complex societal systems like public policy processes. In natural science, a particular intervention can be shown to correlate and likely cause a particular effect. In social science, the extrapolation of cause from correlation is complicated by the infinite connections to other factors. An NGO may campaign for a policy change and a policy change may occur, but a third factor may have caused the latter, or have influenced both the development of the campaign objectives and the policy change. Thus a correlation of campaigns and policies does not necessarily imply an autonomous power within civic society. However, for the purposes of the discussion, we assume that a policy change in line with civic network goals was partly the result of that network's activities, especially when this is supported by opinions from network participants and the civil servants involved.

A particular change in policy may seem significant or insignificant depending on the view of the observer. Thus impacts can be assessed in terms of the networks' own goals, the participant organizations' goals, opinions from the intended beneficiaries themselves, other stakeholders and finally, an analyst's perspective of the beneficiaries' interest based on prior analysis can become necessary when the intended beneficiaries are diffuse, such as all poor people, or all people affected by environmental degradation, as in the case of the networks studied. This does not reduce the importance of bringing forth views from specific groups of affected persons when assessing the importance and appropriateness of any campaign or policy change, but that level of analysis is beyond the reach of this phase of research. The paper will return to these issues of accountability of networks and researchers alike.

## ***CORE***

In late 2000 a group of NGOs, called the Corporate Accountability Network (CAN-Network), agreed to form the CORE coalition as a way to feed into the Company Law Review and challenge its contents. In 2001 Peter Frankental, from Amnesty, Simon McCrae, from Friends of the Earth UK, and Niall Watson from WWF-UK, confirmed CORE's establishment and provided funds to hire Brian Shaad as a part-time coordinator. Deborah Doane at New Economics Foundation chaired, with Christian Aid and Traidcraft soon joining the new coalition. CORE turned its attention to the Department of Trade and Industry's (DTI) proposal that company boards should consider "intangible assets of the company", such as the value of the brand and reputation, as well as intellectual copyrights and patents (DTI 2002). This would be done through an Operating and Financial Review (OFR) (DTI 2003). Initially, the activists criticized the DTI recommendations that would leave it up to individual directors to decide

what is material to their companies, providing no real prospect of an actual, uniform standard for reporting, such as companies having to publish an environmental and/or social report to shareholders. However, the agenda began to shift, with not only NGOs but also financial institutions such as Cooperative Financial Services (CFS) supporting a more defined protocol for reporting. Subsequently the DTI announced a draft of the new law where the OFR “shall include information about the employees of the company and its subsidiary undertakings, environmental matters and social and community matters”; and “shall include analysis using financial and other key performance indicators, including information relating to environmental matters and employee matters”.<sup>20</sup> The draft was widely seen as a successful outcome of a multistakeholder input into the policy process. However, just before its conclusion, Gordon Brown, the Chancellor of the Exchequer at the time, cancelled the OFR. Reports suggested that he had done this after direct lobbying by the Confederation of Business and Industry (CBI), which played to his interest as being seen as “pro-business” and reducing the administrative burdens on enterprise (Webb 2005). The decision came as a shock to those in the financial industry who had been participating in consultations developing the proposals, as well as to the NGOs. Together they strongly criticized the decision and announced that they would focus their efforts on the Company Law Review.

This was the context for extensive mobilization by CORE on the Company Law Review, including a partnership with the TJM to mobilize massive letter-writing to Members of Parliament by their constituencies. Some MPs reported that they had never received so many letters about a single issue (TJM 2006).

A Companies Bill was written and concluded its passage through Parliament to become law as the Companies Act 2006, receiving Royal Assent on 8 November 2006. The extensive lobbying of MPs on the issue may have contributed to some becoming expert on the issues at hand. Some MPs, from various political parties, even went further than the NGOs in the requirements on companies. This level of awareness meant that additional requirements were made on the bill as it passed through Parliament, namely, stronger social and environmental reporting requirements. The resulting Companies Act 2006 now requires that the 1,300 or so publicly listed companies in the UK report on the following issues where they are necessary to understanding the company’s business:

- environmental matters (including the impact of the company’s business on the environment);
- the company’s employees;
- social and community issues; and
- risks through company supply chains (CORE 2008).

The Companies Act 2006 also increased directors’ duties to take account of stakeholders other than shareholders. However, it has been left to directors to determine what it means to take account of other stakeholders and also what social and environmental issues are material to the business and the nature and extent of reporting on these issues. The new law is allied to a concept of “enlightened shareholder value” whereby social and environmental performance are considered to have some material impact on corporate financial performance and therefore of interest to some shareholders.<sup>21</sup> The new duties on directors and the new reporting requirements are thus not about the importance of stakeholders or social and environmental issues in their own right but in terms of how they impact on business performance. The quality of the decisions and the reporting will thus be limited to what is relevant to financial performance. Much will depend on the guidance the government provides on the meaning of this new law. Given the concerns, the government announced it would review in two years

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<sup>20</sup> [www.dti.gov.uk/cld/financialreview.htm](http://www.dti.gov.uk/cld/financialreview.htm), accessed in July 2008.

<sup>21</sup> [www.tjm.org.uk](http://www.tjm.org.uk).

whether compulsory reporting standards are needed, and to ask NGOs what they think.<sup>22</sup> Another important mechanism for defining what this law means in practice will be any subsequent jurisprudence based on court decisions when a company or a director is challenged for breaking this new law.

The change in UK corporate law brought it up to date with what had already been agreed in other European countries like Denmark, France and the Netherlands. The "success" of the campaigning by CORE needs to be tempered by the knowledge that far lower levels of public mobilization and campaigning were required to achieve mandatory social and environmental reporting in other European countries. Given the Anglo-Saxon approach to shareholder freedoms, and a strongly neoliberal government that was basing UK economic strategy on a financial services sector thriving through greater financial freedoms and innovations, CORE had a tougher task than its European counterparts. The resulting legislation was, however, reflective of the neoliberal ideology in the United Kingdom.

The law reflects a growing consensus in British business community that corporate responsibility is a financially sound approach to business. This consensus developed in the late 1990s as the concept of companies voluntarily accepting more responsibilities for social and environmental issues spread. However, research does not support this claim as a general principle. Instead, it finds that there are cases where some social and environmental malpractice is financially damaging and where it is not, and where social and environmental excellence is financially and rewarding and where it is not (Maron 2006). The industry sector, the profile of the corporate brand, ownership structure of the company, and nature of a societal issue are all key to whether that issue is material to financial performance or considered to be so by shareholders. The rise of private equity and hedge funds during the start of the twenty-first century is a reminder of the incoherence in basing a public policy for corporations on enlightened shareholder value when there are only so many "enlightened" shareholders with an interest in social and environmental dimensions of business performance. The only means of ensuring the coherence of a law would be if it were coupled with a law that regulated shareholder behaviour. This is unlikely as the Companies Act was based on a desire to maintain the primacy of unfettered private property rights in corporations, that is, shareholder autonomy and control, while encouraging more strategic attention to social and environmental issues by corporate executives. A law that encouraged enlightened shareholder value, such as by rewarding investors with long positions in companies, holding stock over many years, would challenge that approach.

This neoliberal approach to corporate law was not something we found shared by the NGOs in CORE. They sought greater corporate accountability to society, rather than to more enlightened shareholders, or as one civil servant put it, "[W]e had 'enlightened shareholder value'" – CORE and others didn't like the 'shareholder value', business didn't like the 'enlightened' part of it."

However, in general CORE sought whatever mechanisms would deliver more commitment from companies, including using financial arguments. Therefore we found little evidence in the case of CORE that a third factor was involved in influencing both CORE's campaign and the associated public policy change. Perhaps its interest in the pragmatic use of any arguments that would advance corporate accountability could be interpreted as an aversion to political economic approaches involving a principled stand on the importance of stakeholders rather than shareholders. Perhaps NGOs' interests in being able to report some successes to their managers, advisory boards, trustees and members meant that the participant NGOs focused more on the practical "win" of achieving some form of mandatory reporting, rather than the political "loss" of a further restatement of the primacy of shareholder freedoms that the new Companies Act represented. To condemn a law that appeared to many as a step forward, on the grounds of political principle, would not sell well to an NGO's various constituencies as well as

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<sup>22</sup> [www.foe.co.uk](http://www.foe.co.uk).

the fragile epistemic community of investors, civil servants and other stakeholders, who had worked toward the new law. Instead, CORE organized a party to celebrate the new law.

However, the emphasis on a neoliberal approach to shareholder primacy is not a peculiarly British phenomenon. The European Commission had been pushing for the removal of many regulations restricting shareholder freedoms, such as Sweden's preferential voting rights for shareholders with long-term holdings (Burkart and Lee 2008). The growing integration of the EU has progressed despite the road bump of referendums rejecting the draft EU constitution and Lisbon Treaty. Many felt that these treaties were rejected because they confirmed the shareholder dominance over corporations (George 2008). This integration meant that the EU became more important to the objectives of CORE. The fundamental lack of direct representative power at the heart of the EU structure, with the European Commission being the main legislative body that works closely with national civil services, particularly trade and industry ministries, and the European Parliament being largely a ceremonial talk shop, manifests itself in the case of corporate accountability. With growing consensus among civic society across Europe of the need for new rules on corporations, in June 2002 the European Parliament passed a resolution stating that companies should be required to supply information on the social and environmental impact of their operations (Bendell 2002). However, the European Commission continued its neoliberal agenda, such as increasing pressure on Sweden to reform its stock market rules, and encouraging changes in corporate law in the new accession countries. Five years later the European Parliament passed a similar resolution based on the Report on Corporate Social Responsibility: A New Partnership, which "urged" the European Commission to create legal obligations regarding directors' duties, mechanisms of redress for foreign affected persons, and environmental and social reporting, to reinforce to corporate accountability. Achieving that resolution required a major input of time and resources from civic society groups across Europe, and was claimed as a success by groups like CORE. However, a more significant development in corporate accountability that year was the decision of the European Commission not to require a public registration of the activities of lobbyists, including their financial arrangements and clients (Reuters 2007). Given that corporate lobbying of Eurocrats is a key mechanism in the policy process affecting corporate governance across the EU, this was a major failure, and indicated a weakness in the ability of national NGOs to quickly mobilize on EU matters that affect the frameworks within which they seek to achieve their public missions. Part of the reason for this may be that UK NGOs seek to be perceived as apolitical, in order to not alienate potential donors and to avoid audits and challenges from the UK Charities Commission which requires NGOs to be apolitical to the extent that they focus on their mandates and base any advocacy on evidence from their on-the-ground experience.

During a one-day workshop in 2006, participants in the network agreed that CORE had achieved some progress since its inception, including:

- Building a wide base of support for Corporate Accountability regulation.
- High level of awareness of CORE in Parliament and Government – it is recognized as a serious player.
- Media awareness of Company Law (and CORE).
- Raised the stakes for government on Company Law – Community and Environment are now explicit statements in the Bill which would have been lost without CORE.
- Had a significant 'multiplier' effect – more cooperation between NGOs on these matters, achieving other outcomes, such as increased transparency on corporate lobbying and increased finance sector engagement. Multiplier effect applied to Europe – many coalitions got off the ground with CORE support.
- Growing international reputation as a leading focused coalition within civil society (CORE 2006:1).

This list illustrates CORE's interest in generating a movement for greater corporate accountability within the United Kingdom and across Europe. However, the strategy of the network was not developed toward the creation of a social movement, as discussed in earlier sections. Some of the shortcomings of the network in its ability to build a movement were becoming apparent in 2006. Some participants in CORE were concerned they had not built on their wider membership. In addition, the financial sustainability of CORE was in doubt, and in 2006 CORE could no longer afford to pay its chairperson.

The lack of finances illustrates the dependence of CORE on the ability and interest of participants on the Steering Group (SG) to access internal funds and spend them on CORE. The continued success of CORE was therefore dependent on the personal commitment of existing SG members. Subsequently, after the new Companies Act, two key organizations downscaled their involvement in CORE. In 2007, FoE, which had been key to convening the network, decided to place less emphasis on corporate accountability campaigns and focus more on clear environmental issues such as climate change. This was explained by one former FoE staff member as a feeling that "there is only so far you can go with corporate law, either in attaining policy changes or in bringing your members along with you". The upsurge in interest in environmental issues due to rising concern with climate change in the United Kingdom since 2006 meant that FoE wanted to both offer itself as *the* environmental organization to support as well as influence the climate change agenda more directly. Compared to reducing one's carbon footprint, corporate law campaigns were not that easy to sell to supporters, or to get them involved. Christian Aid also decided to scale back its involvement as it underwent a reorientation of its policy advocacy. Emerging themes included finance and climate change, both of which could relate quite clearly to CORE, because of the need to move the duties and reporting agenda into the financial services sector as discussed above, and the role that mandatory reporting of carbon emissions might have in encouraging their reduction. However, old-fashioned approaches to realignments of organizational strategies involve restructuring of departments and budgets, and so existing activities can be suspended even though they might relate to the new strategy. These developments indicated that CORE participants had not been able to embed the dual importance of corporate accountability work and continuity of participation in networks into their own organizations' strategies that would then necessitate continued budgetary and staff commitments. How a network might help its participant organizations to achieve such a strategic long-term commitment and thus stabilize the network's future is discussed below.

This insecurity of funding and participant commitment means that the lasting impact of CORE on British civic society is debatable. Evidence for the impact on European and international civic society is rather weak. CORE participants are involved in efforts at creating Europe-wide and international collaborations on corporate accountability. However, these meetings have been poorly attended, and struggled to find a common agenda amid concerns about limited resources and the need for funding.

### ***Sakhalin Island Network***

The case of the loose civic network campaigning on Sakhalin Island demonstrates the value of international networking to the participants. As described earlier, the consortium of oil companies building a pipeline across this Russian island was the focus of an international campaign of environmental NGOs. Through their informal sharing of information they impacted on the project's design, associated mitigation activities, community benefits and financing, and prompted a change in the project's ownership. They inspired the creation of new international scientific advisory mechanisms, brought the force of UK law on freedom of information and professionalism to bear on the UK government departments, informed Russian government interventions on environmental grounds, and exposed a disconnect between a major corporation's rhetoric on responsible enterprise and their normal business activities. It is arguable that they cost Shell billions of pounds in lost future revenues. However, it is unclear how these impacts will affect the social and environmental performance of the Sakhalin

hydrocarbon industry in the years to come, with the success of the campaign potentially undermining the continued relevance of some of the key network players in influencing that industry. Unless the UK government, oil companies, public and private financial institutions, and the local and international NGOs recognize the conundrum and work toward a systemic solution to the global governance of hydrocarbon extraction and transportation, what may initially seem as a great success of nimble civic networking may come to be seen as a hallmark failure.

Back in 2003, 50 Russian NGOs issued a statement expressing concern about the Sakhalin Island pipelines. As the project progressed, one local group, Sakhalin Environment Watch (SEW), continued to put out information on social and environmental problems occurring through the construction of the pipelines. However, the influence of this campaigning was minimal, and the project continued with few modifications. It was when greater connection was made with NGOs based in one of the home countries of the leading oil company involved in the Sakhalin II project, Royal Dutch Shell, that their influence grew. British NGOs FoE and WWF campaigned hard on the two connections that the United Kingdom had to this project on the other side of the world: the company Shell and the public institutions that were about to finance their project.

Overall the network was seen by its participants as successful, for example, in reaching its goal to change the conduct of the Sakhalin project: "I think we've been pretty successful on a variety of things. There have been changes to the project which have taken place, the shifting of the offshore pipeline route probably being the biggest one."

A key success that participants claim is in making the Sakhalin pipeline a major international sustainable development issue. The participant explained that the loose network of NGOs "has taken the largest integrated oil and gas project in the world and elevated some of the major environmental impacts and problems behind that project to the highest levels of government and public attention".

The international pressure worked hand in hand with greater mobilization by local NGOs, for instance, with SEW presenting a petition against financing of the project signed by over 10,000 Sakhalin residents to the Annual General Meeting of the European Bank for Reconstruction and Development (EBRD) in May 2006.

Besides changing the conduct of the project, however, some participants believed the new connections between various actors are themselves a sign of success: "It's been highly successful as a model of how a diverse group of NGOs with a lot of different missions – animal protection groups, bank reform groups, environmental groups, science-driven conservation groups – come together...effectively around a common agenda".

The loose network's growing activities had an impact on how some were perceived by other groups, such as the media and civil servants. One of the NGO participants explains that once the story was live, journalists considered NGOs as valuable sources, not only of information but also for interpreting that information: "[t]here's been a small circle of journalists working for quite influential media sources who have often come to us for insights, for advice".

The role of the network in building the expertise of its participants meant that some in government began to see them as a useful resource. One NGO participant explained that the EBRD even "considered hiring us as experts to help us address the issues. For a number of reasons that didn't work out, but it certainly presented a lot of interesting professional issues for the organization".

Interviews with the UK's Export Credits Guarantee Department (ECGD) also indicated that NGOs provided useful information about what was happening on the ground. However, ECGD and the UK Department for International Development (DFID) officials expressed a negative view of the NGOs' analysis of that information and their recommendations. Their main

arguments were that NGOs concerned themselves with single issues such as "save the whales", whereas ECGD had to consider a broader set of issues; that many NGOs were unrealistic in wanting the project cancelled, whereas ECGD had a mandate to enable trade and promote social and environmental performance associated with that; that some NGOs were hypocritical in their demands, given the British economy's dependence on hydrocarbons; and that some NGOs just wanted ECGD shut down. We might speculate whether a more formalized network of NGOs could have better challenged these opinions by illustrating a common agenda incorporating diverse interests, articulating from the outset a strategy for continued influence over the project after the suspension of EBRD and ECGD, as well as a vision for the future of these organizations, and a clear statement on the NGOs' attempts to reduce their carbon footprints as part of their own responsibility in relation to the Sakhalin project.

However, unlike the other cases discussed in this paper, many of the NGOs were not interested in improving their standing with the civil servants they engaged with. The British NGOs believed that the EBRD and ECGD needed to be challenged to transform their normal operations, not only on Sakhalin but on their other core business, such as underwriting the sale of airplanes and armaments. The interviews with ECGD revealed a work culture that is generally supportive of business opinions, due to a traditional reliance on corporate information on projects. This is because the applicant company has the most information on its proposed project and the normal ECGD assessments are focused on the finances, which the applicant companies clearly have a major self-interest in getting right. One NGO explained, "they have an almost overly sympathetic view to what business says...so they're almost surprised when we say: 'just because Shell says that doesn't mean it's true'". Therefore the NGOs resorted to public condemnation and legal action to influence the EBRD and ECGD, which led civil servants to see NGOs in a confrontational role. The nature of this legal action is discussed below.

The impacts that the network has had on the application of public policy and the practice of private enterprise became clearer during 2007 and 2008, as a number of initiatives were launched and announcements made by the company and the Russian government. The timing of these initiatives and announcements as well as the opinions of NGO participants, civil servants and confidential company informants, help piece together a picture of the influence of the NGO network on these developments.

One of the key impacts was increasing the public accountability of the EBRD and ECGD. "No one in the general public knows who they are, or what they do," explained one NGO participant, adding that their campaign was "bringing needed light on their damaging activities". Two key mechanisms that NGOs have used for this are the Freedom of Information Act and the process of Judicial Review of government decisions.

In February 2007, the social justice NGO, The Corner House, put in a Freedom of Information (FoI) request to the ECGD, asking the department to indicate whether it had given any "confirmation of conditional ECGD support" for Shell's Sakhalin II oil and gas project. Mike O'Brien, then minister of the Department of Trade and Industry, had made a public announcement saying the decision to back the Sakhalin Energy Investment Company (SEIC) project had not yet been taken (Corner House 2007). However, in June 2007, the ECGD released a letter it had written to SEIC over three years earlier, confirming that it had approved conditional support for \$1 billion's worth of contracts for the Sakhalin II project. The Corner House reported that the ECGD had also confirmed in a letter to FoE that its March 2004 letter was legally binding on the department. This sharing of information between the NGOs enabled them to assess, in their opinion, that the March 2004 decision conflicted with ECGD's stated policies. In August 2007, WWF joined The Corner House in requesting a judicial review—a court proceeding in which a judge reviews the lawfulness of a decision or action made by a public body. Crooks and Peel (2007), writing for the *Financial Times*, reported that "[j]udicial reviews have become an increasingly popular tool for campaigners to challenge official decisions, winning high-profile successes such as the High Court ruling...that the consultation

process during a government review of policy on nuclear energy last year had been ‘very seriously flawed’ and ‘procedurally unfair’.

Dan Tench, a partner at Olswang, the law firm, said the WWF claim reflected the increasingly “hot issue” of “extra-territorial” judicial reviews, in which the impact of the policy being challenged was mostly overseas (Crooks and Peel 2007). At the time of writing, the judicial review was not concluded, but the media coverage had already highlighted how the ECGD and UK ministers were stressing their lack of decision in public, while ECGD were providing some reassurances in private: the letter to SEIC required the company to keep the agreement with them “confidential”.

Given the information revealed from their first requests, FoE requested that ECGD release the information it had received from government departments about the project. The ECGD refused, and it went to the FoI tribunal, which agreed these letters were of public interest and ordered their release. The ECGD appealed that decision, which was pending at the time of writing (SEW 2007).

The judicial review increased the contentiousness of this case, and so in March 2008 the SEIC announced it was no longer seeking public financing from ECGD or its US equivalent (Environmental Finance 2008). Prior to that, in January 2007 the EBRD withdrew from negotiations for a \$300 million loan for Sakhalin II development (EBRD 2007). The bank often takes about a year to sign off a project, but took four years over this, before saying no. One NGO participant remarked that “[W]e don’t have the EBRD—a public institution—giving millions of public money to Shell for a very shoddy job. Which is therefore a success, no matter how it’s come about.”

The impact of this absence of public financing on the social and environmental performance of the project is unclear, as discussed below, but the impact for Shell is clear.

The fact that the EBRD was not involved, and the ECGD was only involved on a confidential and conditional basis, meant that Shell did not have the level of engagement of the UK government (through the ECGD) and other Western governments (via EBRD) that would have maintained communication with the Kremlin about the project. During April 2006 the Russian government and judiciary began to intervene, citing environmental concerns that had been raised by the NGOs. A Sakhalin appellate court upheld a ruling to halt the construction of a jetty in Aniva Bay, pending completion of environmental reviews. “The Russian government has, in a very Machiavellian way, used all the evidence that we have produced—or at least that SEW had produced and had been talking about for three or four years,” explained one NGO participant. By August, the Russian Ministry of Natural Resources announced it would sue the project sponsors due to design flaws posing safety risks and environmental damage. This escalated to a suspension of the project and negotiations between the SEIC and Kremlin. In December 2006, an agreement was reached through which Shell lost half of its 55 per cent share of the \$20 billion project, with the government-owned oil company Gazprom taking a majority stake.

In the Western media these actions were portrayed as part of a move against private ownership of Russia’s oil and gas industry that had started with the destruction of Yukos and continued with the state regaining control of Gazprom, which then acquired Sibneft. The state-owned share of the total oil production increased from 16 per cent in 2000 to almost 40 per cent in 2007. This suggested the Russian Ministry of Natural Resources’ concerns about ecological impacts of the project did not reflect a new environmental concern, but were a tactical use of legitimate environmental concerns to achieve the state’s political and economic goals—resource nationalism (Bradshaw 2007).

With the reduced role of Shell and no financing from Western public financial institutions, in 2008 the Western NGOs downscaled their work on Sakhalin, shifting their focus to regions such

as the Arctic, and Alaska. One NGO participant said in 2008 that "Sakhalin II is 90 per cent complete so there is little to influence in terms of the design and construction phase of the project. Sakhalin Environment Watch continues to monitor the final implementation on the ground". In January 2008, the governor of Sakhalin spoke out publicly in solidarity with protestors of the Sakhalin II project. Meanwhile in January 2008, WWF Russia launched a campaign aimed at Gazprom about another pipeline, across the Ukok Plateau in Siberia (WWF Russia 2008).

The network impacted at the level of international institutions, through the creation of a Western Gray Whale Advisory Panel in 2006. An independent expert body, established under the auspices of the World Conservation Union, was established to provide long-term advice on the project's impact on the whale population. Given the scientific doubts and arguments about the importance of the project to the whale population, one civil servant remarked that "[O]ne of the good things the Sakhalin project has done is to put together the Western grey whale advisory panel. And they are the world's best. And they are advising in a public way. It's a great achievement that we [at this government department] will claim a small amount of influence in."

Although the participants' own assessment of their network is positive, their impact on the social and environmental performance of the project itself is less clear. "There have been changes to the project which have taken place, the shifting of the offshore pipeline route probably being the biggest one," said one NGO participant. In April 2006, Shell acknowledged the project's impact of indigenous people and agreed to develop a Sakhalin Indigenous Minorities Development Plan, initially committing \$1.5 million. The company also launched the Sakhalin Salmon Initiative, a public-private partnership to support conservation and sustainable use of wild salmon and their ecosystems, and to build institutional capacity for conservation. One NGO involved in campaigning with other NGOs on the pipeline, the Wild Salmon Center (2008), is a key partner in the initiative. It was one example of a constructive engagement between the company and NGOs. There was a two-year stakeholder engagement process culminating in a conference of 200 stakeholders. One NGO participant said that

we had oil companies, indigenous people, commercial fishermen, government agencies, scientists; we had foreign experts. Everyone who has something to do and some interest in salmon conservation and sustainable use on the island was at this conference. Since then, we've created an organization on the island, and are working really closely with the regional government and all those stakeholders to implement a series of positive conservation and sustainable management projects on the island.

He explained that being involved with the campaigning NGOs "really helped raise our profile on the island, and gave us the room to build an incredibly successful Sakhalin salmon initiative".

The salmon issue was one that the EBRD had focused on in its assessments of the project, requesting Shell to conduct important new erosion control efforts after a fact-finding mission found serious erosion around wild salmon-spawning rivers. This illustrates one concern some have expressed about the lack of Western public financial institutions in the project. One civil servant said before the financing was called off, that "if the [NGO] objective was to try and ensure that the project was implemented, but implemented to high standards, then the way they are engaging us at the moment seems to be attempting to stop us from supporting it, rather than to encourage us to support it provided the standards are met". Michael Bradshaw (2007:1) of Leicester University argued that that "with the departure of the EBRD, the NGOs have lost an opportunity to leverage compliance on environmental and social issues". We return to this issue when discussing network strategies.

A broader goal and impact for some of the British NGOs was "to test the CSR rhetoric on a major project". For these NGOs there is a battle of ideas occurring between those who want

greater mandatory corporate accountability, such as the members of CORE and TJM, and the proponents of voluntary corporate responses to social and environmental challenges and thus less governmental or intergovernmental intervention. The problems with this project mean at the very least that “non-technical risks”, as Shell calls social and environmental performance issues, should be taken into account earlier in the company’s project design process. NGOs hope that regulators will see the implications being that oil companies still do not operate well in sensitive environments, and will restrict the nature and location of their activities. “Sakhalin is supposed to be the best the industry can offer, but it is not good enough to be operating in sensitive areas,” said one NGO participant, “this is the message we are taking to the Arctic.”

The 1995 confrontation between Shell and Greenpeace over the disposal of the Brent Spar oil platform in the North Sea has come to be regarded as a turning point in corporate citizenship, when business leaders awoke to the power of civic society and public calls for them to be more responsible. In time the confrontation with NGOs over Sakhalin would come to be regarded as an even more seminal moment in the history of the corporation and its relations with society. By delaying loans and guarantees from government-backed agencies and giving the Russian government a reason to suspend the project, environmental campaigning cost the company thousands of times more money in assets and lost future earnings than Brent Spar, and poses a greater challenge to the very core of Shell’s business. This challenge is twofold.

First, it involves the asymmetrical pressures from civic society. Currently the international oil companies (IOCs) face far higher pressure from critical media, active civic society and informed communities in their home countries than many of the nationally owned or promoted oil companies from Brazil, China, Malaysia and the Russian Federation, among others. Consequently they are pushed to adopt higher standards and more quickly criticized when failing to meet them than national companies, with real financial implications. This poses a strategic challenge for IOCs that could mean operating in entirely new ways in its community relations and government relations, such as supporting the development of civic society and critical media in countries with oil reserves, and working toward improved international regulations on social and environmental issues, including international mechanisms for enforcement. As a matter of long-term survival, international oil companies might sensibly support an international convention on corporate accountability.

The second part of the challenge involves the future opportunities for energy generation. In light of resource nationalism, Shell and some other IOCs have begun to focus on the niche of projects that require the most sophisticated technology to secure oil from difficult regions such as the Arctic or unconventional sources such as Canadian oil sands and liquefied coal. The problems with this are obvious. Getting oil from sand or coal consumes huge amounts of energy, and thus increases the pollution greatly, while going into pristine environments like the Arctic will alarm many public organizations.

In the short term the company may be able to pursue this strategy due to the high oil price and security concerns in the United States and Canada about energy independence. But in the long term, oil price fluctuations, the growing cost of carbon and growing awareness that the changing climate is itself a security threat, will likely derail it.

In a BBC debate, Solar Century director Jeremy Leggett asked Shell’s CEO Jeroen van der Veer whether it was possible for the company to go into the Arctic and oil sands, and the world’s atmosphere to stay below the 450 parts per million of carbon identified as a crucial threshold by the Intergovernmental Panel on Climate Change (IPCC). When pushed, he replied, “we are not responsible for deciding the energy mix of the world” (BBC 2007). This is reminiscent of the stance Shell took in the mid-1990s on involvement in public matters, before the Brent Spar and Ogoniland, Nigeria, episodes led them to accept their influence and express an intention to use it responsibly. Clearly everyone is partly responsible for deciding the energy mix of the world, with some more influential than others. Companies like Shell have major influence in political processes and the economics that frame political discourse. Chief executive officers (CEOs) in

such companies with sufficient awareness and courage must face these difficult conundrums to find a long-term viable strategy.

James Leaton of WWF thinks there is a way forward. "Oil companies are about project management, technology and marketing, to supply liquid hydrocarbons for transport fuels. Unless they start putting these skills and resources to more sustainable options, companies like Shell who are investing in more carbon-intensive fuels, will be stranded in a carbon-constrained world."

### ***Publish What You Pay***

Since the formation of the Publish What You Pay (PWYP) network, the main industry it has focused on, extractives, has experienced an unprecedented boom. In 2005 alone, public mining companies experienced a 72 per cent increase in their total capitalization from 2004, with net profits increasing by 59 per cent, representing an increase of \$45 billion. This was good news for their shareholders, who received \$18 billion in 2005, up 82 per cent from the previous year. The increase in profits being made by the major oil and gas producing companies was also extraordinary. America's five "super majors" reported record profits of \$342.4 billion between 2001 and 2006 (PWC 2006). During this time the evidence of corruption continued to increase, while most anti-corruption prosecutions of business people faltered, and all the main goals of the PWYP network remained unfulfilled. Today, corruption in Africa is costing the continent nearly \$150 billion a year, according to the African Union (Webb 2008).

Despite this general picture of a global boom of resource consumption racing ahead, while policy implementation on corruption and good governance stumbles behind, there is evidence that the PWYP network had some impact on policy making that may eventually reduce levels of corruption and improve accountable governance.

The network helped reshape the political opportunities for civic society action on good governance and corruption in four key ways: raising the agenda, framing the agenda by identifying agency, inspiring processes for engagement, and influencing processes that might regulate. Each will be discussed in turn, before looking at the failures to achieve the specific policy goals of the network.

First, PWYP raised the agenda. The levels of mobilization the network facilitated and represented has made corruption, in particular, a key international policy issue. Andre Standing (2007:1) explains this shift in emphasis, in the African context:

In the past few years, loans by the World Bank Group, the International Monetary Fund (IMF) and the African Development Bank, among others, have been premised on the need for anti-corruption 'conditionalities'. Mining companies are reporting to shareholders and investors that avoiding corruption is critical to mitigating their risks, and diverse African governments, from Madagascar to Nigeria, now claim that fighting corruption is one of their top priorities in better managing resource exploitation and attracting foreign investment. In short, fighting corruption has swiftly become one of the key ideas in the effort to make resource exploitation contribute to development in Africa instead of being a source of potential harm.

Second, PWYP helped reframe the issue, by identifying corporations as key agents that should bear responsibility. During the 1990s, the World Bank emphasized public sector corruption as part of its good governance agenda and "depicted the private sector as one of the primary victims" (Standing 2007:1). By 2005, some in the Bank were acknowledging that companies operating in weak or transition states were not passive victims but active parties to corruption (Kaufmann and Vicente 2005). "Corruption is not only the abuse of public office for private gain, but also the use of public office for private gain by third parties: the grabbing hand of the state is joined by the grabbing hands of private companies" (Standing 2007:1). This was a shift

toward the way the problem was framed by members of PWYP, who chose to focus on the responsibilities of those who make the various payments to governments. Thus the network had opened up a new political opportunity to influence corruption and good governance through corporate practice.

Third, this influence meant that PWYP helped shape the creation of new processes for organizations to engage on these issues. The NGOs' role in subsequent policy processes was expanded and institutionalized, particularly through the creation of the Extractive Industries Transparency Initiative. The PWYP campaigns led the UK government to announce the creation of the EITI at the World Summit for Sustainable Development in September 2002. The EITI is a multistakeholder initiative that addresses how to promote the transparency of government revenue streams ("publish what you receive"). Members of EITI agree on a broad set of principles, including the need for double disclosure between companies and governments to allow for figure comparison. The EITI has garnered the support of international institutional investors with combined trillions of dollars under managements, such as Fidelity Investments and Merrill Lynch Investment Managers (Ballentine and Nitzschke 2005). Statements from delegates at successive G8 meetings since 2003 have also expressed support for the initiative.

The EITI is explored further below, but aspects of its functioning that relate to civic society are key in understanding how civic society mobilization ostensibly helped institutionalize and protect such mobilization. NGOs are involved in the governance of the EITI, holding a fifth of the seats on the board (other board groups include producer and investor governments, investors and companies). In addition, EITI enshrined in its principles for participating governments that civic society plays an important role in achieving good governance, including the exposing and punishing of corruption. Combined with a diverse international group of participants, including many with financial importance for the participating countries, this meant that by 2008 EITI was helping protect the political space for civic society action. For example, the government of Gabon, which is an oil-rich country, banned 22 NGOs, including members of PWYP, for criticizing the way in which state resources were being spent. Gabonese Interior Minister Andre Mba Obame said that four coalitions made up of anti-corruption, anti-poverty and environmental campaign groups had been banned for interfering in the country's politics. PWYP said the suspension contravened Gabon's membership of the EITI, and worked to bring global pressure to bear on the government. The ban was lifted within a week, an action which some NGOs in Gabon hailed as a sign that civic society would continue to play a role in holding the government to account (Reuters 2008). This is key, given that addressing corruption "depends fundamentally on the presence of independent voices and commentators," according to Kirsty Drew, of trade union anti-corruption network UNICORN (TI 2008).

The fourth area where PWYP influenced the political opportunities for action was its contribution to the pressure for the establishment of mechanisms that could regulate governments worldwide. The United Nations Convention against Corruption (UNCAC) was adopted by the United Nations General Assembly on 31 October 2003 (Resolution 58/4). The agreement of such a convention was not an explicit aim of PWYP, but its campaigning for government action helped speed the negotiations. Five years after its agreement, no process had been agreed by which governments could be assessed for their compliance with the convention. Lilian Ekeanyanwu, chairperson of Nigeria's Zero Corruption Coalition and a member of Transparency International Nigeria, explained at the UNCAC conference that "[m]any of us, from countries where this is a life or death issue, will be heading home having heard little more than rhetoric" (TI 2008).

Beyond these broad changes in policy contexts, PWYP has not achieved its initial policy aims, each of which would involve the British government adopting new legislation to compel different parts of the financial sector to behave differently in the transparency they require from corporations. The main policy aim that launched the campaign was for stock market listing rules to be changed so all listed companies would need to disclose what they paid to

governments. No progress has been made either directly with the stock markets or the UK government on this matter.

A second policy task relates to methods for reporting on such payments. PWYP has called for new accounting standards that would require the disaggregation of payments to governments so that investors and other interested parties could see where the funds are going. A key focus for this has been the International Accounting Standards Board (IASB), which promotes mandatory standards globally for "profit-oriented" bodies. It is a non-governmental body independent of formal accountability to governments and intergovernmental bodies (IFRGEY 2006:70). Now globally influential, its stated aim is "to develop, in the public interest, a...set of high quality...enforceable global accounting standards" (Gallhofer and Haslam 2007:12).

PWYP decided to engage with the IASB during the development of the International Financial Reporting Standard (IFRS) 8 Operating Segments, a document that would help integrate aspects of US accounting practice with other accounting standards. PWYP managed to marshal the most number of submissions to any such standard development process of the IASB (Gallhofer and Haslam 2007). An advisor to PWYP, Richard Murphy, formerly with KPMG explained that:

After 20 to 30 letters...a head of steam was building up...[we]wrote to indicate...we wanted to meet...we were happy to arrange a...visit to take them to Africa...to see the scale of the issue and talk to local tax officials. The reply came...the relevant person was going on maternity leave. We wrote...that surely we must have a meeting...the answer came back that we are not going to talk. There was no constructive engagement... We realised there was no real point in the consultative process (Gallhofer and Haslam 2007).

He said that they had already decided to adopt an approach that would not require detailed disaggregation of payments to governments. In addition he claimed there was "an organized counter campaign" to encourage submissions to the IASB to challenge the calls from PWYP participants:

The number of letters in favour of...IFRS8...jumped up dramatically after the flurry of submissions from [PWYP]. There have never been so many submissions in favour...we still managed to get over half the submissions but only just...IASB considered all our letters to be the same. This was not true. Each party submitting was encouraged to include their own issues...several did (Gallhofer and Haslam 2007).

The existence of the network was used by a resistant organization to actually undermine the collective influence of its members. The implications are that PWYP would have benefited from more supporters in the wider accountancy profession without formal ties to the PWYP network itself becoming engaged in the IASB. After years of attempts from PWYP to engage, the trustees of IASB finally met them in July 2007 for initial discussions.

Gallhofer and Haslam (2007) conclude that the resistance of the IASB to PWYP highlights the political nature of processes masquerading as technical:

The IASB may claim to be neutral and 'merely' a technically/scientifically expert, but actually it is political. In making some things visible and others not, it has consequences beyond the confines of a narrow economics. In ostensibly serving the latter...it substantively fails to realize its potential as information for democracy and society as well as for economic resource allocation.

They suggest that either the IASB's understanding of its public purpose is "less than sound" or it knowingly disguises underlying commercial interests of the accountancy profession that are "diverging from reasonable notions of the public interest" (Gallhofer and Haslam 2007). To help expose the political nature of the work at IASB, PWYP lobbied the European Parliament on the

issue. In November 2007 the parliament voted for a new international accounting standard requiring oil, gas and mining companies to report payments to governments on a country-by-country basis.

In addition to calling on governments to intervene with stock markets and accounting standards bodies, PWYP was campaigning to see action from governments within existing legal frameworks, in particular within the context of obligations under the Convention on Combating Bribery of Foreign Public Officials of the Organisation for Economic Co-operation and Development (OECD). On this there has been complete failure. Transparency International publishes a report card once a year on how the OECD convention is being applied. It showed there are very few investigations and prosecutions on business bribery in at least half of OECD countries. The United Kingdom was one of the worst ranked for starting investigations but failing to prosecute. Of the 15 foreign bribery investigations in 2007 and the four in 2006, the United Kingdom brought one prosecution (Webb 2008).

“It is hypocritical that OECD-based companies continue to bribe across the globe, while their governments pay lip-service to enforcing the law,” said David Nussbaum, former Chief Executive of Transparency International (TI 2006). The OECD itself has been critical of the United Kingdom’s implementation of the convention. A high-profile instance of non-compliance is the al-Yamamah case. The UK government cancelled an investigation into a major arms deal with Saudi Arabia involving BAE Systems on national security grounds. It was “seen by many as a national scandal setting back the UK’s reputation in the international arena” (Webb 2008). The case is still in the UK’s High Court, which ruled in 2007 that the case should be reopened.

Given the lack of progress in these areas, it is not surprising that PWYP participants focused on the creation of the EITI as a key success of the network. They even link to it from the central frame of the PWYP homepage. The strengths and weakness of the EITI in encouraging the transparency of government revenues that PWYP seeks is important to explore.

EITI is not the governmental response that PWYP called for. It does not focus on new regulations on international corporations, but provides a voluntary system for governments and businesses to improve the transparency of payments related to extractive industries. PWYP was founded on a rejection of the possibility that voluntary action would be sustainable, EITI on the proposition that a voluntary approach could deliver benefits for participants.

A success of the EITI has been to attract many candidate countries and supporting companies to commit to greater transparency, and to begin working out mechanisms for this. However, by the end of 2007 only a couple of the supporting companies had published information on their governmental payments and no candidate country has been endorsed for the transparency of its accounts.

Despite EITI being founded on a concept of voluntary change that PWYP had rejected at the outset, the latter has not been completely critical of it. This is partly because EITI is one of the most active mechanisms on the issue, but also because the existence of EITI provides the members of PWYP with greater political opportunities for their action. By giving NGOs a place in its organizational structure and role on its board, EITI provides access to higher policy levels than some NGOs would have had before. In addition, it provides new means for protecting civic society action at national levels, by requiring countries that seek endorsement from EITI to respect civic society rights to information, association and advocacy; and by mobilizing powerful groups in the defence of specific NGOs when governments retaliate against their campaigning on transparency-related issues. This was illustrated in early 2008 when the government of Gabon suspended a number of NGOs, including some members of PWYP, for being critical of the government’s use of oil revenues. Within a week of PWYP and EITI secretariats and members expressing concern, the country revoked its ban.

The fact that PWYP members benefit from EITI's existence suggests some confluence of interests between the instigators and funders of these initiatives. PWYP and EITI share a similar approach in four areas, each of which could be contested for its inability to promote governance to reduce global and national inequalities.

First, neither EITI or PWYP have sufficiently engaged the newly emerged powers, particularly India and China, which are major investors across the global South. Transparency International's 2006 Bribe Payers Index illustrates one aspect of the problem, with China and India the worst performers. Neither country was involved in EITI, nor did PWYP have any members from them. Both organizations are based on the involvement of civic society, which would present a difficulty for China, as well as other countries where civic society does not play a role in policy discourse. "The role of the big emerging economies" was identified by the EITI's policy advisor as the first strategic issue to address in the years ahead (Rich 2008). One can question why it is only now that the role of these countries is being discussed. Rather than an emerging issue, it has been a central one in many countries for many years. It was clear from the analyses of the mid-1990s of trade-related social and environmental problems that South-South trade and investment was a key factor, and interventions based on Western civil societies, consumers and corporations were not comprehensive (Bendell 1995).<sup>23</sup>

Given questions about the legitimacy of multistakeholder processes in influencing the foreign trade practices of countries like China, one answer may be to explore new or enhanced intergovernmental arrangements. A lack of focus on lobbying for such intergovernmental mechanisms is a second area of similarity between EITI and PWYP. The absence of such mechanisms is considered by many scholars to be a result of the power of corporations on the foreign and trade relations policies of national governments (Bendell 2004). This led to a defeatism among many civic society organizations about the possibility of encouraging new rules for global trade (Murphy and Bendell 1999), which was reflected by some of the participants in PWYP. EITI is, after all, an alternative form of global governance mechanism and its relationship to intergovernmental processes is currently unclear, beyond general support from the G8 (which is not a formal intergovernmental body like the United Nations). Despite the difficult intergovernmental situation, the UN Convention Against Corruption was agreed, although, as discussed above, it does not yet deliver an enforcement mechanism. It is a moot point what might have been achieved if the efforts were placed on making this a more enforceable convention.

A third area of common approach between the initiatives is the proposition, perhaps assumption, that transparency can deliver good governance. This is questionable, given the analysis of countries where there is transparent corruption. In the Philippines the media has consistently revealed instances of corrupt politicians arranging payments for themselves in return for award contracts for building roads and airports, and other activities. Inquiries in the Senate have also helped reveal the level and routine nature of corruption, and how debates in and around government focus on what is an acceptable level of corruption rather than its outright condemnation. Despite this transparency, little has changed in the governance of the country. In the most recent circumstance under the government of Gloria Arroyo, this appears to be because the various sectors of society that could challenge such practices—the church, courts, military, police and civic society—are politicized and have financial self-interests in maintaining the current political order. Transparency is the focus of both initiatives because it appears as a first step toward good governance, and because it appears as a more technical rather than political measure. However, to achieve good governance requires dealing with issues of power and how the information can be then used. PWYP avoid this issue as a result of the interests of its members, who seek to maintain an apolitical profile for purposes of their charitable status and broad memberships.

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<sup>23</sup> For instance, in the timber trade, by the early 1990s the deforestation in Southeast Asia was due to demand from consumers in other parts of Asia rather than the West. So voluntary responsible purchasing of timber from Western markets presented a fundamentally limited response to the deforestation problem (Bendell 1995).

Fourth, both initiatives focus on extractive industries. However, research shows that today corruption is most prevalent in the building of power stations, roads and airports, hydroelectric dams and waste management systems, as well as in basic services such as justice, health, education and energy supplies. Corruption in public procurement in many countries is also widespread (Webb 2008). This suggests that EITI should not be a main focus for PWYP. However, extractive industries provide a clear and visible link to the constituencies of PWYP memberships, through the involvement of companies headquartered in the West, such as the oil and mining majors. In addition, the social and environmental impacts of such projects are highly visible and provide a connection between the broader corruption issue and the specific concerns of participant charities, such as humanitarian action, deforestation and so on.

These four areas of overlap, which can be questioned in their effectiveness in delivering good governance of business and investment, suggest that they are both the result of the same structural factors that relate to the power of corporate interests over foreign affairs, the limited ability of civic society groups to tackle causes of societal problems free from interests of their own organizational mandates and funding streams, resulting in a need to brand their policy “asks” (or policies asked for by NGOs). Meanwhile corruption grows worldwide. One of the first countries to be engaged by EITI and profiled by PWYP is Nigeria. In 2008 Transparency International reported Nigeria as still one of the world’s most corrupt nations (Webb 2008). For instance, in December 2007 Nuhu Ribadu, who had chaired Nigeria’s powerful Economic and Financial Crimes Commission for the past three years, lost his job. Claiming to have recovered about \$1 billion in embezzled funds, Ribadu stepped down unwillingly. He had been investigating a former governor of Delta state considered close to the new Nigerian president. “It may be that for anti-corruption workers in Africa, if you do your job too well, it can get you fired,” commented Toby Webb (2008).

### ***Trade Justice Movement***

The TJM points to the change in UK company law as its key impact on UK public policy. Although it played an important role in this process by helping to mobilize people through its NGO members, the corporate accountability agenda had not been the central focus for TJM or the reason for its creation. The CORE coalition was created for that purpose. Instead, TJM was initially created to organize what could be called “high-street NGOs”, large and well known to many people in the United Kingdom, to continue and expand the agenda and tactics pursued by the Jubilee 2000 coalition, which focused on debt cancellation for poor countries. It played a key role in the late 1990s in bringing thousands of people on to the streets in the cities hosting the major summits of institutions it considered responsible for the debt situation and its impacts, specifically the World Bank, the IMF and the G8. TJM involved many of the same organizations in the Jubilee campaign, and sought to apply similar pressure on another aspect of the global economy—international trade agreements. Individual members of the public, media and protesters were already making the connections, with the protests at the 1999 WTO ministerial meeting in Seattle occurring a year before the TJM was formed. Therefore the TJM impact on public policy should really be assessed on the basis of the framework of trade agreements that has arisen post-Seattle. On those terms, the TJM has failed to make an impact. Worse, it could be argued that a historic opportunity to embrace and organize an upwelling of public interest and commitment at the turn of the millennium was lost by the members of TJM. Both points are explained below.

The WTO plays an important, though not encompassing, role in international trade rules. The protests in Seattle and the collapse of those talks amid resistance from delegates from the global South meant that a new, ostensibly more developmental, agenda had to be found. This resulted in the Doha agenda for future negotiations, which had still not been completed by 2008. Therefore the argument from TJM that development has been made central to international trade policy at WTO is questionable.

During the 2005 WTO ministerial meeting in Hong Kong, there were street battles between protestors and police; the conference goers were protected by barriers. The ministerial was considered by those within the barriers to be a greater success than the meeting in Cancún two years earlier, which had ended without agreement. Pascal Lamy, the director-general of the WTO, said that an agreement to end rich countries' subsidizing of agricultural exports by 2013 would help to conclude the round and move negotiations forward. However, many activists within TJM called the agreement a failure for the poor. Steve Tibbett from Action Aid said, "the WTO has served up a diet of peanuts, waffle and fudge" as richer countries continued to push for access to low-income country markets and stronger rights for their companies, while refusing to rapidly reduce their subsidizing of agricultural exports (Elliott 2005). Some commentators argued that the new economic heavyweights India and Brazil helped ensure a resolution to the talks by putting pressure on low-income countries. In addition, a new procedure of plurilateral negotiations was agreed, whereby groups of countries would enter into future negotiations. This is an attempt to speed future negotiations, but in a way that may further undermine the multilateral character of the process.

One of the successes that TJM points to are the delays in rich countries obtaining agreements on liberalizing finance and investment via the WTO. However, this fails to mention how the forum for rich countries, which includes the United Kingdom, has now shifted to bilateral agreements to pursue its aims for liberalization of finance and investment. In the case of the United Kingdom, the EU has taken on ever greater leadership in trade policy through negotiating Economic Partnership Agreements. By 2008 dozens of African, Caribbean and Pacific countries had signed trade deals with the EU that included agreements on issues such as investment and trade in services. By 2002 it was already clear to trade analysts that other mechanisms than the WTO would be used by corporate interests to seek changes in regulatory frameworks, including through the use of bilateral and regional agreements (Petersen 2002). Given this understanding, one might have expected a major mobilization around EU policy-making processes, to ensure they would be open to civic society scrutiny and pressure. However, the initial consultations from the European Commission on requiring disclosure of the funding and activities of lobbyists did not receive a major response from trade campaigners, including the TJM secretariat, and a voluntary register was adopted by the EU. The European branch of TJM member FoE did take a lead in creating a network to pressure for greater disclosure in future.<sup>24</sup>

This "success" is, however, about resisting rather than advancing an agenda on these matters. A member of TJM expressed his sense of the challenge: "How successful have we been in all that? Not very so far, but we've only been working five years, and it's a bit of a big thing to try to overthrow the neoliberal economic order – but we're getting there."

This economic order, and particularly the global financial system, is recognized by many NGOs as posing problems for the reduction of poverty and the achievement of greater equality. There are important development concerns arising from tax havens, currency speculation, leveraged buy-outs, short-selling stocks and near-term focused asset management. Tax evasion and offshore banking secrecy cost developing country governments up to \$500 billion a year in lost revenues. Currency speculation at over a trillion dollars a day has destabilized currencies so that there is a mismatch between loans priced in rich country currencies and repayments in domestic currencies. The world's top 20 banks account for 80 per cent of this currency speculation, and thus benefit disproportionately from the use of this power to influence currency prices.

The use of huge loans by private equity firms to enable them to buy out publicly traded companies is another challenge to the social performance of business and trade. The main criticism is that these firms load the companies they take over with the huge debts required for that take-over, sell off different parts of the business and increase cash flow to generate dividends, and then sell the indebted company back to the stock market, where it is bought up

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<sup>24</sup> See the Alliance for Lobbying Transparency and Ethics Regulation at the EU (ALTER-EU), at [www.alter-eu.org](http://www.alter-eu.org).

by, among others, pension funds. For instance, the private equity partners who took over the British retailer Debenhams, increased the company's debt from £100 million to £1.9 billion, paid themselves dividends of £1.3 billion, tripling their investment in just over two years (Russell 2007).

Short selling is the practice of borrowing shares with a promise to give them back at a later time. The trader sells them when the share price is high and then buys them back—to fulfil the promise—after that price falls, thus making a profit from a fall in share price. Many hedge funds have used short selling to create huge profits, and come under attack from regulators, pension funds and business executives who complain about how they undermine planning for the long term. This compounds a situation of near-term focused asset management. The average stock ownership period has fallen from two years in 1998 to 14.6 months in 2000 and just 9.4 months in 2007. Some major companies have seen their share prices fall by 30 per cent in a single week after hedge funds have targeted them (Schiller 2006). The problem for the social dimensions of business and trade is that this short-term pressure does not encourage companies to plan for the long term and thus invest in research, staff development, community relations and so on. Hedge fund managers can take 20 per cent of the profits generated in trade; for example, a top hedge fund manager, Steve Cohen, earned around a billion dollars a year.<sup>25</sup> Cumulatively these earnings draw upon the collective wealth of the asset owners and employees, and thus represent a massive transfer of wealth from the many to the few.

Given this systemic influence on the global economy, merely slowing down the policy agendas of some of the major financial firms is not very significant. The 2005 G8 summit reaffirmed its commitment to global financial liberalization even though many developing countries questioned the benefits of capital liberalization; particularly those, like China, Chile and Malaysia, that had not liberalized their financial sectors and had managed to ride out regional financial crises. No commitment was forthcoming from the UK government on a new approach to the financial system on the issues mentioned above, and none was being formulated or requested by TJM, apart from some reports on specific issues like tax evasion by its members, such as Christian Aid. Even the Western financial crisis, brought on by a crash in confidence in financial derivatives in the real estate sector in 2007, did not lead to initiatives from TJM on what an economic justice agenda would look like for finance. This is surprising if one remembers how a campaign on a financial issue—poor country debt—inspired the creation of TJM.

Another claim of success made by the TJM was the increasing attention given by trade negotiators to eliminating export subsidies by rich countries. The concern expressed by some British international development NGOs, Southern governments and large agricultural producers is that they are unable to compete on price with subsidized products from rich countries that enter their markets, nor sell their products freely in rich country markets. In 2005 an agreement to include this issue in the future was reached at the WTO. The development NGO position was questioned by some, such as Vandana Shiva, who focused more on small-scale and environmentally appropriate solutions to food supply (Shiva 2002).

An awareness of the resource dependency of the long-distance trading of large-scale farming of cash crops, and an argument for more local production and trade, underpins the criticism of the development NGO position on market access. As the implications of climate change for agricultural production become more widely understood, particularly the growing cost of oil-dependent agricultural inputs, such as fertilizers and the cost of transportation, this analysis is more widely recognized (Celsias 2008). Consequently any policy changes that encourage more mechanized forms of production and longer transportation of supplies conflict with attempts to promote climate change mitigation and adaptation.

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<sup>25</sup> [http://en.wikipedia.org/wiki/Steven\\_A.\\_Cohen](http://en.wikipedia.org/wiki/Steven_A._Cohen), accessed in June 2008.

Another dimension to the criticism of the market access argument of development NGOs is that it is unclear how such changes would deal with the fundamental drivers of hunger and malnutrition. These drivers are disputed but are generally understood to include the quantity and quality of food, levels of income and income inequality in society, and the diversity of both food supplies and incomes available to communities. Greater access to Northern markets for developing country producers will benefit those companies able to take advantage of such trading opportunities. However, this will not affect the poor producers, who often experience rising prices for land and inputs as commercial cash cropping grows in their locale. Liberalization of trade can generate inequality, which can be a key driver of hunger. Concluding a discussion of the increasing industrialization and internationalization of agriculture in step with trade liberalization, African civil society organizations at the World Social Forum 2007 in Nairobi, Kenya, in January stated:

We reject these new foreign systems that will encourage Africa's land and water to be privatised for growing inappropriate export crops, biofuels and carbon sinks, instead of food for our own people. We pledge to intensify our work for food sovereignty by conserving our own seed and enhancing our traditional organic systems of agriculture, in order to meet the uncertainties and challenges that will be faced by present and future generations. Agricultural innovation must be farmer-led, responding to local needs and sustainability. We celebrate Africa's wealth and heritage of seed, knowledge and innovation. We will resist these misguided, top-down but heavily-funded initiatives from the North, which show little or no understanding or respect for our complex systems. We ask that we be allowed to define our own path forward.<sup>26</sup>

These NGOs highlight the insecurity of food supply that comes from being reliant on foods transported over long distances that require large amounts of oil inputs, and that fluctuate in affordability depending on incomes, supply and demand. They suggest that food security should be the policy goal, and which comes from individuals and communities attaining a diversity of modes of food supply. This involves a mix of foods from communities producing their own with minimal external inputs, from having the funds to buy them at market, and from foods from outside the community that have been sustainably produced and transported. This implies an approach to economic development as a whole that emphasizes economic security as much as efficiency, innovation and continual expansion.

The call from African civic society suggests that British development NGOs might have focused on matters other than agricultural trade liberalization. In early 2007, as food prices worldwide rocketed due to problems with production combined with spiralling demand from Asia, so TJM's criticism of rich country policies that kept down international prices for foods like rice, corn and wheat, seemed redundant. Instead, any policy that would keep prices down, including export subsidies, would help to alleviate the global problem with food prices.

That TJM's policy proscriptions could lose their appropriateness due to these changes in circumstances, which were widely foreseen by experts in sustainable development, such as the World Watch Institute (2004), suggests a lack of a coherent philosophy about the root cause of malnutrition and maldevelopment. The mission of TJM reads like a long list of specific policy concerns rather than an overarching analysis of the nature and cause of maldevelopment. In relation to agriculture it is not clear what the universal principles are. For instance, when referring to poor countries' agricultural policies, the TJM alludes to principles of national sovereignty, arguing that governments should be able to set their own policies and not be instructed by international bodies. Yet when referring to rich countries, the TJM argues that national policies on export subsidies are wrong and seeks an international ruling that would override them. On matters other than agriculture, such as corporate accountability, TJM also

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<sup>26</sup> This statement is accessible on a variety of NGO web sites, such as [www.grain.org/g/?id=179](http://www.grain.org/g/?id=179).

calls for an internationalist approach where universal principles would override national sovereignty.

A lack of a cohering political vision also means that the NGOs in TJM did not relate effectively to the upwelling of public interest in systemic critiques of globalization in the late 1990s and early twenty-first century. TJM claims it “has established a reputation for public mobilization in support of its goals” and cites that over 25,000 people “filled Whitehall at an all-night vigil”.<sup>27</sup> However, it is important to remember that in Genoa in 2001, over 100,000 people protested at the G8. Only a few thousand were organized by the TJM, and in general there was little evidence of any connection between the people protesting and the NGOs who were focused on lobbying the politicians and speaking to the media. Given that absence on the ground, the protestors were approached and recruited by traditional Left-wing organizations, such as the Socialist Workers Party and its front group called Globalise Resistance. The upwelling of protest were described as anti-globalization or anti-capitalist movements. That neither phrase appeared on the TJM web site highlights the fact that TJM members did not feel comfortable working with an explicitly political framing of the problems. The subsequently popular term of Global Justice Movement was mentioned only once, in passing. This lack of connection to the wider movement of individuals critiquing global capitalism was illustrated by a fall-out between TJM and the organizing committee for the European Social Forum in 2004.<sup>28</sup>

In the absence of a groundswell of activists, the TJM used another means of generating mass participation—celebrities. The Live 8 musical event, held to coincide with the G8 summit in Scotland, helped create media attention and public participation, but also reshaped the message being conveyed to the world. The message became one of charity not justice, with the powerful leaders of the world asked to help the unfortunate rather than being challenged to correct their own countries’ involvement in oppressive trading and financial relations with poor countries. Many of the celebrities congratulated the politicians, although the movement on trade issues was non-existent, and the debt cancellation deal was not comprehensive.

The lack of connection to grassroots activists, absence of a coherent political philosophy, the ease with which celebrities could influence the message and the lack of impact on public policy suggests that the Trade Justice Movement is not actually a movement in the true sense of the word. Perhaps the financial crisis that broke in 2008 may change that by giving TJM member NGOs a political opportunity to advance more radical critiques of and proposals for the financial system. Time will tell whether they manage to bridge their institutional NGO concerns by engaging at the grassroots level as a new wave of activism calling for financial justice rose in 2009.

### ***Collective impacts on global inequality***

Several themes emerge from the preceding discussion on the impacts of the different networks. First, the policy goals of the networks are conservative, even when compared to the nature of the problem defined by the networks and their participants. For instance, it is not certain that the greater disclosure of corporate activities sought by PWYP and CORE would actually deliver a change in irresponsible behaviour. The agenda is conservative largely because the NGOs identify policy goals that they think could be attainable within existing power structures and past experience. However, another moderating influence may be the sources of funding for participant organizations, including governments, corporations and established middle-class individuals; concerns with the restrictions on political action due to the NGO’s charitable status; and the class of the NGO professionals themselves, many of whom will work in government or corporate management at some stage in their career.

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<sup>27</sup> [www.tjm.org.uk](http://www.tjm.org.uk).

<sup>28</sup> An open letter from NGOs to the organizing committee was posted on the Indymedia web site at [www.indymedia.org.uk/en/2004/09/297118.html](http://www.indymedia.org.uk/en/2004/09/297118.html).

Second, the achievement of these conservative policy goals is limited. Only 3.9 per cent of survey respondents reported that public policy changes on the issues the network was campaigning on were "substantive" without further qualification. Another 53.9 per cent considered that such policy changes were "substantive but didn't sufficiently address structural issues", and 30.8 per cent that they were "superficial". The remaining 11.5 per cent reported no changes in policy. PWYP and TJM cannot point to many concrete policy outcomes that align with their original campaign goals. SIN has not achieved a major change in ECGD policies and practices. The CORE coalition has achieved changes in the law, but with no clarity about how these will be interpreted and implemented.

Third, when these policy goals are achieved, it appears to exhaust rather than energize the network. Since the change in UK company law, CORE's funding and participation tailed off, it lost staff and ceased campaigning. Some NGOs expressed they felt they had gone as far as they could within their own organizations on a corporate reform agenda. After Shell's controlling stake in Sakhalin II was revoked, SIN ceased to be as active internationally, and apart from continuing court battles with ECGD, UK NGOs left it to Russian NGOs to continue the battle with the new controllers, Gazprom.

Fourth, when the policy goals of the networks were achieved, the translation of these policy innovations into the practice of business, investment or trade has been minimal, at least in the time horizon of this project. For over 18 months the UK government did not provide guidance, let alone a standard, for what the new law on corporate social reporting and directors' duties actually would mean. This leaves it up to companies to determine what they think the law means, as well as the courts, when a case is finally brought that uses this legislation. That highly paid corporate lawyers will likely influence the substance of new laws on corporate accountability, through an effective defence of their clients, is not a positive reflection on the democratic process.

Fifth, the existence of numerous networks on aspects of economic policy has not made a generic impact on the economic policy agenda in the United Kingdom. The early twenty-first century has witnessed a continuing emphasis on the liberalization of trade and finance at home and abroad, in pursuit of the illogical aim of continual economic growth within a finite natural environment. The inability to shift the broad agenda could be the result of a reluctance to elucidate a comprehensive political analysis of the problems with and causes of inequality. Although one of the networks calls itself a movement for justice, the networks have not clearly identified themselves as part of a common effort for economic justice, or articulated how they relate to the concept of such a movement that has spread worldwide—the Global Justice Movement. The importance of this gap is only accentuated by the global financial crisis that developed in 2008. The ability of these networks to enable NGOs to develop common critiques and push common proposals may determine the relevance of these NGOs to the emergence of a new global financial order that will shape inequalities for years to come.

## **Network Legitimacy**

The legitimacy of NGOs engaging directly in policy advocacy is one that preoccupies many policy makers, advocates and scholars (Van Rooy 2004). The civil servants interviewed for this research expressed a variety of perspectives on the validity of NGOs to the policy process involved. A common criticism was that the NGOs lacked the mandate from those on behalf of whom they claimed to be working, or the importance of policy processes balancing a wider set of interests than the ones the NGOs represented. For instance, one civil servant remarked that "some NGOs are effectively single-issue NGOs. The Save the Whales campaign has one objective: to save whales. They can put their blinkers on and ignore everything else that's going on. We can't do that. We have to get the balance right across all the issues."

Given that global inequality is the background to this study, it is important to reflect further on the possible inequalities in political representation in public policy processes, and how civic networks can reduce or perhaps even compound those inequalities.

There are five criteria by which a voice can be considered to have value in political deliberations: relevant experience, expertise, novelty, content and the extent to which a person expressing an opinion is affected by the matter at hand in a way that could create significant disadvantage to themselves (the “dependent affectedness”, of a voice) (Bendell 2006). Research on NGO advocacy shows that many NGOs, their critics, government and intergovernmental policy makers often conflate these different bases for quality or validity of voice (Bendell 2006). This “confuses the debate and increases the likelihood that criticisms will be used to exclude rather than structure the involvement of dissenting voices” (Edwards 2003:1). This section discusses the way the NGO networks perform in terms of these bases of validity.

From a principle of democratic accountability, any governance process, such as consultations on proposed laws, should seek to hear and incorporate the views of those whose well-being is dependent on the issue being discussed (Van Rooy 2004). In addition, such people should be able to help shape the agenda of issues being addressed. That “well-being” can be understood in terms of the enjoyment of basic human rights, as defined in the various international conventions. Some people might be negatively affected by a potential decision or action, but if their basic welfare is not dependent on this, then their voice would not add value to the democratic accountability of that political deliberation as much as the voice of those whose well-being is dependent on the issues being addressed. In a negotiation on drug patents and trade law, for instance, both people living with HIV and shareholders in pharmaceutical companies could be negatively affected by decisions, but the well-being and basic rights of the former are more dependently affected by any decisions made. This “dependent affectedness” is a key basis for the validity of a voice in a political deliberation.

It is unusual for either individuals with HIV or shareholders to speak at such negotiations on the topic of their own affectedness. Instead, groups of people with common interests are represented by proxies, such as directors of organizations. Consequently, the accountability of a speaker to those who are dependently affected by the matters being discussed is key, as well as the number of people giving the speaker that mandate—for example, the number of members (Van Rooy 2004). Accountability to members does not indicate the validity of speaking about issues that do not affect the membership. For example, that development NGOs “may have a million members in rich countries says nothing about their competence to speak for the poor” in the South (Clark 2003:173).

All of the civic networks profiled in this paper communicated as if they represented the persons affected by the issues being addressed, or ignored, by policy makers. In the case of SIN and PWYP, this was true to a degree. However, as discussed earlier, the British NGOs in CORE and TJM had limited connection with Southern constituencies and focused those relations on generating material to back up their campaigning. Survey respondents identified Southern NGO participation as the most important constituency to engage in future. A lack of Southern NGO participation limits the legitimacy of the networks on the basis of their accountability to intended beneficiaries.

Accountability to the intended beneficiaries of an NGO’s advocacy is, however, only one means for the legitimacy of their advocacy. For some issues, the intended beneficiaries are constantly changing, silenced, not born yet, or not even human. Organizations working on housing issues may find that those they work for are constantly moving in and out of their housing. Those working for victims of torture may not be able to communicate with them directly. Those working for future generations cannot take their counsel. Neither can those working for animals or entire ecologies, nor those working for all life on Earth. Accountability to those directly involved in the matters at hand, such as homeless people, relatives of the imprisoned, mothers, those affected by pollution, or peoples who place certain value in environmental phenomena, is

one means by which a voice can become valid for deliberation on those issues, but there are other bases for the validity of voice.

The second basis for the validity of a voice is the relevant experience of a person or organization. If an organization works on child welfare then its experience of child welfare promotion makes its opinions on this issue worth hearing. The UK government requires that charities base their advocacy on their experiences on the matters they advocate on. This poses a challenge for NGOs working on an economic inequality and justice agenda. For example, a development NGO may have no "experience" of currency trading and tax management, yet these processes damage economies and state budgets in ways that then impact on development possibilities. The civic networks studied here did enable the exchange of experiences and the articulation of the common economic drivers of the diverse problems that the NGOs were working on. However, the lack of racial, regional and class diversity in the networks, with 96 per cent of respondents considering themselves Caucasian, 88.5 per cent considering themselves middle class and the same percentage having lived the majority of their childhood in the West, indicates that the experience of these professionals and their organizations is of limited diversity. This limitation to relevant experience compounds the problem of the limited accountability identified above, and indicates that the networks are comprised of people from the world's elites.

The third basis for the validity of a voice is expertise. For example, most development NGOs claim to have knowledge of the lives of the poor and the reasons shaping their situation. Alison Van Roy (2004) has noted how the information provided by some NGOs on public policy deliberations are sometimes unavailable through other means. The novelty or effectiveness of knowledge is not, however, the only basis for claiming expertise, and issues of research methodology are important. At times all the civic networks mentioned their expertise, rather than experience or mandate from beneficiaries, to back up their claims. The networks did not, however, involve universities and, as resources were limited, they did not conduct much of their own primary research on the matters being addressed and none that was anonymously peer reviewed. The highest on the list of the seven strategic priority areas of work for 2006–2010 identified by CORE participants was "providing proof of the case", which illustrated their own sense of the need to build this dimension to their legitimacy (CORE 2006).

A fourth basis for the quality of a voice arises from the content of what is being expressed. When a voice is raised in defence of processes of accountability and democracy, it should be responded to as deliberations are founded on such values they provide the context for voices to be valued in the ways described above. Expressing commitment to non-violence, and reminding people of internationally agreed principles of human rights, are aspects of what some call the moral authority of an opinion (Van Rooy 2004). Groups like Human Rights Watch, the International Crisis Group and the International Commission of Jurists have no mass memberships, and often limited experience of abuses in the field. They often have expert knowledge of national and international human rights law, but much of the veracity of their voice arises from their recourse to principles of fundamental and universal human rights. Aspects of the advocacy claims of the civic networks studied did focus on basic concepts of human rights and the importance of democratic processes. However, as they went beyond that into recommendations on specific policies and laws, so moral authority is not a basis for the validity of their advocacy.

Michael Edwards (2003:1) reminds us that "those who speak out do not need to be formally representative of a constituency". Free speech is a fundamental tenet of democracy. This means that a voice can be valued merely by its novelty, especially if none of the aforementioned aspects apply to it. If a viewpoint has not been heard before in a political deliberation and is said to be shared by a part of society, then it has a certain quality for that deliberation. Novel opinions that claim to relate to a constituency of opinion and are not in contravention of basic human rights principles should be welcomed, and then invited to attain a validity based on the factors previously mentioned. Views soon lose their novelty once expressed, and so in time the

validity of voice would depend on accountability, experience, expertise or content. As the civic networks studied here did not put forward novel views, this was not a basis for the legitimacy of their policy advocacy.

As the civic networks can not claim validity on the basis of either novelty or content, their accountability, expertise and experience are central to their legitimacy as policy advocates. These factors appeared to be confused by many involved in the networks and policy processes. Some of the networks did not actively seek to develop these grounds for their legitimacy, whether through greater Southern NGO engagement, methodologically sound research, or a more systematic gathering and sharing of relevant experiences. The reason for this appears to be the limited resources available, both to the network and to the participants for their network-related activities.

## **Shifting Network Strategies**

This study was conducted with an interest in identifying how NGOs could effect economic policy changes that would result in reducing global inequalities. Therefore part of the aim was to identify some implications of the analysis for NGO and network strategy. A number of studies of activism and social movements have found that national histories are key to shaping both discourse and action (della Porta and Diani 2006). This suggests that the autonomy of civic society is limited, and the advocacy goals of NGOs may be produced as much by the interests of national governments and business than a self-generated analysis of the situation by NGOs. To help reduce the likelihood of merely repeating such historically determined positions on policy issues, NGOs and their networks could make efforts to systematically develop and evaluate their social change strategies, with insight from persons outside their particular national experience. This section discusses the extent to which such strategic planning and evaluation took place, in light of the promises of networks identified from network science, and make some initial recommendations for strategic shifts in mindsets that might better effect policy change to reduce global inequalities.

Sixty per cent of NGO survey respondents do not have a documented, overarching analysis of social change and how to affect it, either at the organizational or departmental level. The majority of the respondents have not had independent evaluation of their advocacy work. This lack of clarity on strategy and absence of thorough processes of evaluation and learning means that core questions about assumptions, values and politics are not explored. On the positive side, this allows the participants in networks to work together with differing perspectives, rather than spending scarce time and resources trying to negotiate on first principles. However, this also means that opportunities for greater cohesion and advocating a coherent agenda are lost. Instead, the unity of participants emerges through reacting to public policy processes, particularly in opposing policies. Similar to the global justice movement, where the phrase “one no and many yeses” is prevalent, this approach means that the types of “yes” are not often agreed upon and campaigning remains largely reactive. A key step in changing this situation would be for civic networks and their participants to decide to learn about how to develop, evaluate and adapt social change strategies. A related point would be to decide some common principles for society and economy for NGOs’ participation in public policy processes, how networks can function well, and thus imagine a model of excellence for the network that can be worked toward. Some key aspects of this shift to more strategic mobilization through networks are discussed below.

The strategic shift for more effective civic networks suggests a more deliberate identity-creating strategy. Currently the networks do not seek to educate their members or shape a common identity. The lack of a cohering approach means that a civic networks advocacy can appear like a laundry list of issues and demands that reflect a compromise between participants. To elaborate a more coherent agenda would require greater investment in participants learning about the common determinants of the problems the different NGOs campaign on. Although

this can be time-consuming, given that identity shaping is key to both networks and social movements, a more deliberate effort on this could prove effective. One benefit is that it could enable the network and its participants to better consider complex challenges, such as their relations with the private and financial sector.

Another aspect of the strategic shift is to evolve the way participants think of themselves and the network in relation to society and social movements. Currently many of the NGO participants have an organization-centric and charity mentality to their work. By organization centric, we mean that they focus primarily on how their interactions in the network and beyond can meet the needs of their organization. That may be understandable and inevitable, but it means that the full benefits of networks and participation in social movements is limited. This is particularly so in terms of role differentiation and coordination within networks to enable insider strategies involving collaboration with elites, and outsider strategies involving confrontation with them, to synergize rather than undermine each other. To achieve such differentiations and coordination requires NGO participants in networks to see the networks as a whole and how they can play a needed role within it.

The term charity mentality means that NGOs approach issues in a way that asks people to help others through an appeal to their morality. This may sound both reasonable and positive but it presents a number of limitations. First, it means that the process of asking and the process of giving are seen to have value in their own right, for those doing the asking and giving, and this can sustain arrangements whether they are successful or not, as they provide an emotional benefit for the donor and the charity worker. Second, it ensures that the work agendas are shaped to a degree by the forms of awareness and interest of donors. Third, it creates a sense of otherness between the needy and those who help them. Fourth, it limits the view of how social change occurs, and how much, to that which can be funded by voluntary giving.

One result of this approach is the view many NGO participants express about the difficulty of persuading donors to invest in their work on economic justice, and that they need such money to "raise awareness" and "campaign". However, the idea that issues of economic injustice are being experienced by people every day, all over the world should guide us into exploring how such people are currently seeking to rectify that situation, and the tools that are—or are not—at their disposal. This, in turn, could inform interventions that would service their needs in solidarity with them without relying on persuading large donors or powerful institutions to act out of moral concern. Projects that might evolve out of such an approach could include the creation of new mechanisms for legal support, or systems for channelling the experiences of intended beneficiaries into the risk assessments of financial institutions.

Another aspect of this strategic shift toward a movement mentality is that network conveners and participants could not only better recognize the limits of what they could achieve themselves through the network, but ensure that they address those limitations by relating effectively to other processes in the movement. A key limitation found in the research was the networks' relationship to business and finance. The importance of business interests in shaping policy outcomes was widely recognized, and the majority of civic network participants were aware of some companies or business people sharing the analysis and some of the policy recommendations of the network. This reflects a growing recognition in the field of corporate responsibility that many business people are supportive of a transformation of the current economic system, and can be regarded as constituting a "corporate responsibility movement" (Bendell et al. 2009). Greater engagement with business was discussed on a number of occasions by network participants, such as the one-day workshop at CORE (2006), but without much success. One reason is that most NGO respondents considered that such engagements would present difficult issues for the network, including concerns about co-optation, as well as undermining the trust certain constituencies had in the network. Present analysis of NGO engagement with business in multistakeholder networks does highlight a range of organizational and political challenges (Bendell 2000; Waddell 2005). One method for addressing these concerns would be for a network to enable its participants to engage in

communities of common interest with relevant business persons, and to facilitate plurilateral collaborations between those businesses and NGOs that are able to take joint action.

Another limitation on networks is how “radical” their member NGOs could be seen to be by donors, NGO boards, media or government regulators. The strategic implication is that the civic networks could facilitate more informal interactions between members and more grassroots campaigners who are not network members, so that activities could be better coordinated when appropriate. With a movement mentality, such fluid collaborations with individuals in a variety of sectors may be more easily envisaged and organized.

The strategic shift for more effective civic networks must also involve a move from focusing on corporations to focusing on their owners. As discussed above, effective networks should help participants identify common cause and learn about common determinants of the challenges they face. The financial system is one such commonality. Networks should also allow for the pooling of resources between participants in ways that enable a new level of specialist knowledge and action. The financial services sector is so complex that it is difficult for NGOs to have specialists in this field that are also specialists in the NGOs’ area of interest.

Those NGOs that have done some work on finance have focused on either project finance, which is only about 1 per cent of global finance, or on ranking the high street banks’ incorporation of social and environmental issues into their wider lending practices. Yet in terms of the effects on inequality, the financial system had been in crisis for over ten years before the collapse of the Lehman Brothers investment bank. The problematic practices of financial services in areas, such as currency speculation, offshore trusts, short selling and leveraged buyouts, have not been engaged by most mainstream NGOs in the United Kingdom. There could be two reasons for this. First is the brain drain from British NGOs into the professions of socially responsible investment and corporate responsibility management or consulting. Many of the leading professionals in the responsible finance sector came from NGOs. Second is the institutionalization of NGOs, so they become less innovative and more risk averse over time. Convincing the membership of the NGOs that, for instance, currency speculation should be curbed to promote sustainable development is more of a challenge than convincing them that a fence should be put around a forest to protect a bird. Given climate change, which driven by dynamics of global finance, the latter may be increasingly futile, but it is still an easier communications option and therefore an easier fundraising message. Even with the various limitations suggested here, civic networks could play a role in advancing and working on financial services. PWYP started as a campaign on financial services regulation and could reinvigorate that focus. TJM grew out of a prior campaign on financial issues, concerning poor country debt cancellation and could extend its current focus to work on the private financial dimension to trade justice. Given the rise of resource nationalism, SIN and other actors involved in oil industry campaigning could also increase their work on the financing of oil and gas. CORE could also examine how the new regulations apply to financial institutions, which are, of course, also corporations. All these networks could help their members to consider how they manage their own investments, to ensure they are not invested in ways that undermine economic justice.

The challenge facing all network conveners and participants in being more strategic with planning and evaluation is that of resources. Work on economic inequality and justice is marginal to most UK NGOs. This is reflected in the limited profile economic justice issues have in the member and media communications of many of the NGO participants in the networks studied. This is also demonstrated by the budget allocations for this type of advocacy. One participant in CORE, for instance, was donating 0.0002 per cent of its annual expenditure to that network, which when staff time was included, amounted to only about 0.0005 per cent of the organization’s expenditure. The marginal nature of these issues to the mainstream NGOs means that the NGOs’ own projects and campaigns on economic justice issues are conservative in agenda, tone and profile. Those working on economic justice are often marginal to mainstream strategy, policy, budgetary and staffing decisions in their organizations. As one participant

from a mainstream NGO explained: "not everyone [in my NGO] would realize the extent to which we do work in that network—they don't see how many emails we exchange every day. They're not really party to the conversations that go on, they just see the results." The people working on economic justice issues in such NGOs have been connecting through civic networks as a means of coping with a comparative lack of organizational commitment and backing for such issues. It could be said the civic networks are coping mechanisms by activists working in co-opted or conservative organizations. There are some exceptions; for example, Friends of Earth decided to make corporate campaigns a focus during the early years of the twenty-first century. However, even that level of commitment is subject to the vagaries of institutional interests of an NGO. In the case of FoE, in 2007 it decided to downscale its corporate work and focus more on clearly environmental issues, given the rise in environmental awareness in the wake of growing climate concerns. Without secure and substantial financial and institutional backing, opportunities are missed and problems arise for the networks, as described in this paper. For instance, they are not engaged with either beneficiaries or grassroots activists as much as they might be, or should be, to be legitimate, informed and effective. Neither are the conveners or participants able to afford necessary processes of strategic planning, evaluation and project experimentation.

The break of the financial crisis in 2008, after the study was completed, highlights the limitations of the NGO strategies examined. Whereas organizational self-interests held most NGOs back from pursuing a comprehensive economic justice agenda that incorporated financial justice, the resultant lack of attention to finance did nothing to curb the excesses that led to crisis and a consequent decline in NGO funding, due to the economic difficulties facing the public, governments and charitable foundations. The double irony may be if NGOs' economic work is scaled back at a time of resource constraints, because it is seen as peripheral to core activities, and unlikely to win interest from hard pressed business leaders or government officials. Ultimately it comes down to money.

Civic networks and their participants will not be able to be more effective on economic justice issues without tackling the root cause of the resource scarcity they face. Therefore the strategic shift toward more network excellence must include looking at how to influence the NGO participants' own organizational development so they might engage more fully in economic justice issues, social movements and civic networks. The challenge is to work through networks to help transform the organizations that form the networks, so they might all better enable social change. A range of activities could help to implement such an approach, such as engaging the CEOs of the NGO participants that are most open to exploring the organizational development implications of the political economic dimensions of the issues they work on. A key barrier to overcome will be the NGOs' concern for brand and resource protection, which can stifle innovation in projects and messaging.

## **From Noble to Global**

Earlier analyses of NGO advocacy have raised "serious doubts regarding how far NGOs in the North are able to do anything that is especially alternative to their host countries' bilateral aid programmes" (Bebbington et al. 2008:3-4). That analysis suggests that development NGOs have become part of an institutionalized business of aid provision with close ties to the bilateral and multilateral development establishment, and in the process not only paid disproportionate attention to service delivery but also failed to build links with organizations more connected to peoples' movements. Consequently they are seen to promote a conservative and reformist agenda, as opposed to one that is more transformative by advocating economic justice and redistribution as well as promoting alternative forms of development (Bebbington et al. 2008). NGOs are criticized from this perspective as being well-meaning yet fundamentally inert elites, who do little to address the scale of the challenges faced.

The case studies of civic networks face some similar challenges, in terms of the limited impact on public policy processes, and the limited role of the networks and NGOs in people's daily struggles against unequal power relations. The term "noble" usefully describes different aspects of these networks as they existed during the early years of the twenty-first century. Its etymology is the Latin "nobilis" which means well-known. The Encarta definition of noble comprised five dimensions: having excellent moral character—possessing high ideals or excellent moral character; aristocratic—belonging or relating to an aristocratic social or political class; relating to high moral principles—based on high ideals or revealing excellent moral character; magnificent—impressive in quality or appearance; and in chemistry, non-reactive: chemically inactive or inert. The civic networks studied here demonstrate something of each of these five aspects of this concept. "Noble networks" are networks with apparently noble objectives, that involve people whose relationship to their intended beneficiaries can put them in an elite position, and that are fairly inert in terms of their impact on society.

Rather than being forces in a social movement that transform power relations in a society or the wider world, networks may be enabling the status quo by providing a place where educated, intellectual and ethically concerned people can convene and express this concern, without challenging power structures. The fact that many NGO professionals end up working in business or government highlights how they may be helping institutions to adapt and reform, rather than transforming them. Given the growing rates of global inequality and the role of economic and political power in shaping that inequality, it appears that UK civil society is far too civil and there is far too much "society", in the elite socializing form of that term. In historical studies, the term noble networks has been used to describe trans-European elites of the past (Sandberg 2006). The contemporary forms of civic network are not powerful in this sense; in fact, they are far from it. However, this historic parallel highlights that, to be an agent of global equality, their challenge is both to embody democratic ideals themselves and secure them in global power structures, rather than creating new buffers around power structures.

Our analysis has not covered other forms of civic organization, such as trade unions and grassroots community organizations. Networks of those organizations may or may not experience some of the opportunities and problems outlined in this paper. We conclude that civic networks similar to those examined here should move from being noble to global, in a range of different ways. An obvious way is to become more internationally connected, involving groups from around the world and seeking to influence actors and policies in different countries and at international forums, depending on the opportunities that arise. They can also become more global by espousing universal values as a way of articulating a common agenda rather than reacting to national government policy and donor interests. Another way would be by involving more diverse participants from different races, genders, places, sectors and classes, as well as ensuring that the networks are increasingly legitimate in what they say and do. They can become more global also through their notion of the person: to see how the processes that create problems for intended beneficiaries are the same processes that create problems for themselves, their organizations and even their donors. While charity will never be an inclusive global concept, solidarity can be. Networks could focus more on systems that are universal, particularly finance and entertainment media, which are the most global systems of power in the world today.

Some of the activities that civic network conveners and participants could consider to catalyse this shift from noble to global were discussed in the previous section. The implications of this analysis for donors and for progressives in government and business are more complicated. Donors could explore how to enable Southern constituencies to advocate for themselves and shift policy-related funding away from Western groups and to the South. However, large donor attempts to influence civil society mobilization from below have been found at times to undermine existing legitimate channels that arise from local contexts (Mouffe 2005). Therefore a form of solidarity donorship may be required, where donors look to service the needs of peoples' organizations in ways that do not require continued foreign intervention to succeed and that do not create new independent channels of resource flow and agenda setting.

Unfortunately the approach of the UK Department for International Development in giving far larger sums of funding to large UK-based NGOs may work against this and further undermine the ability of NGOs to work as social movement organizations. Given the role of large donors, particularly as part of governments, in maintaining the power structures that drive much inequality and injustice, more time should be spent on internal organizational change within the bureaucracies of government and intergovernmental institutions.

Another area where large donors could support change on economic justice issues is to help professionals in business and finance who have left NGOs, yet work on related issues. Such people have become good technicians at particular aspects of the social and environmental performance of business and finance but are not able to create as much change as they might, due to limited time and mandates from their employers. The implications of this analysis for such people in the private sector is that they support and engage in more informal networks on these issues that cut across organizational sectors; seek to involve more civic society organizations in their own multi-enterprise associations; and support the training of NGOs in the North and South on matters of private finance.

These recommendations all relate to a shift in mindset among professionals in NGOs, companies and donors, who are interested in pursuing an economic justice agenda. The shift is away from an organization-centric mindset to a movement-centric one, where an individual's and their organizations' role in strengthening a network's impact becomes a priority (Bendell et al. 2009). The relationship of NGOs to social movements has been a difficult one, as processes of professionalization and donor interests have often led NGOs away from more systemic critiques of economic systems and processes of grassroots mobilizing to build countervailing powers. In the United Kingdom, many mainstream NGOs have significant resources and profile, and so there is little need to join networks to work on their core mandates, unless they wish to address the systemic causes of the issues they focus on. An interesting question is whether such NGOs have the ambition and courage to work on a more transformative agenda and, if so, whether networks could bridge the gap between themselves and the wider public of active citizens and social movement adherents.

Traditionally, the connection between professionals in the private sector and social movements has been even more tenuous, according to most studies, yet recent evidence suggests many business people are supportive of a more transformative economic agenda (Bendell et al. 2009). Therefore future research could focus on how social movement theories and network theories could inform efforts for economic justice that involve people from different organizational sectors. As a study at the interface of organization theory and social movement theory that is explicit in maintaining the spirit of social movement analysis, we have sought to respond to the call for more practical yet idealistic research (Scully and Creed 2005). Future research could focus on gathering information to further refine and elaborate the findings of this research to key opinion-forming and decision-making audiences, such as charitable foundations. Another approach would be to actually attempt some of the policy and strategy changes suggested by the conclusions, as a form of action research, and thus determine what works and what does not. Certainly we have found that more work is needed on what networks can and do achieve, and what their limitations are, in ways that can be useful for network conveners, participants and funders. We have only made initial steps in trying to bring network sciences to bear on analysis of NGO advocacy, and trying to incorporate insights on that from social movement theories: more work at the interface of social movement theories and organizational theories is required, while keeping a clear focus on the social purpose of such inquiry (Scully and Creed 2005).

## Conclusion

Global inequality and injustice remain intractable problems that also affect people in the United Kingdom, a country with a long tradition of international involvement. Although the political

power of civic society organizations in Western societies is widely reported as significant, and UK NGOs are particularly well-funded and vocal on international development issues, the study found that they have had a limited effect on public policies and reducing inequalities in the trade and corporate accountability areas. It found that many NGO staff work on such issues in inter-organizational networks, due to a lack of strategic commitment from their NGOs to tackle a justice and equality agenda head on. The study found that by working through networks, NGOs could exert more influence over public policy on global inequality. However, by comparing current practice with the promises of networks identified in the study of organizations and social movements, the research revealed that many of the potential benefits are not being systemically realized by network participants. This is a result of resource scarcity, which leads to a lack of investment in network learning and strategic planning, so the civic networks are not utilizing the network effect, attested to by various analysts, to its full extent. As a result their impacts may be limited and have unintended consequences, their activities may be driven by government agendas, their campaign aims may repeat existing political compromises and cultural norms, and their coalition building may be prematurely curtailed. Consequently these networks generate some concerns over legitimacy and effectiveness, appearing to some people as inert and elite clubs of intelligent civic professionals—noble networks. Such networks could be a mechanism for empowering agency within existing societal structures, but would likely require an enhanced effort to align participant organizations with network-related activities, and the involvement of more groups who shape inequality, as well as those who suffer from it. This analysis does not extend to other forms of civic organization, such as trade unions or grassroots community groups. Perhaps greater engagement with such groups would help the types of networks studied to address some of the issues described above. In addition, to enable network excellence, more research is required on the pitfalls of participation in networks.

As the networks studied were fairly new, the limitations we point to could merely be the birthing pains of new forms of organizing that traverse boundaries of nation, sector and public concern. As experience grows and connections are made, the somewhat “noble” networks chronicled in this paper have the opportunity to become truly global forces for the common good. Given intensifying national and international inequalities and the violence that this situation can breed in communities across the world, it is an opportunity we hope they seize.

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