Master Thesis

A Pandemic of Power

*How Dutch Development NGOs Maneuver Between Philanthrocapitalism,
Localization, And The Impact Of COVID-19*

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Abstract

In recent years, the trend of 'philanthrocapitalism' has been emerging in the Dutch development sector, making non-profit organisations increasingly dependent on large private donors and deploying business principles to promote social change. Different scholars have critiqued philanthrocapitalism for contributing to decision-making structures that lack democracy and downward accountability, leading to a concentration of power in the hands of a few. At the same time, an increased call for greater inclusion and empowerment of local actors has developed, addressing unequal power relations. This movement has become popularly known as 'localization'. Besides the trends of philanthrocapitalism and localization impacting the distribution of power in Dutch development NGOs, the global outbreak of COVID-19 has made the sector subject to even more transformations. In this thesis I investigate how Dutch development NGOs deal with attracting big private donors on the one hand and increasing downward accountability on the other, and the influence COVID-19 has on this tension in the distribution of power. I found that philanthrocapitalism and localization can both hinder and accelerate each other, thus constructing a playing field instead of a tension in which Dutch NGOs must maneuver. Additionally, despite the idea of COVID-19 causing more localization, financing structures that have been created by philanthrocapitalism inhibit further reform as money, and thus power, is continued to be held by the global North and given to those who they want to see empowered. Hence, I argue that although power can be found at all levels in this playing field, it is not mediated by all in an equal manner. Money creates a space for repression within the mediation of power. As such, the theoretical divide between Foucault's view as power being mediated and Marx and Weber's idea that power is strictly repressive becomes obsolete. Hence, I propose a dual framework to understand this two-sided character of power, creating a bridge between these theorists. This dual power framework allows for a fuller understanding of both the problems and solutions in power structures embedded in the Dutch development sector.

Key words: Dutch development sector, philanthrocapitalism, localization, COVID-19, power

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1. Introduction

In the midst of the 2008 financial crisis, when non-profits struggled to get funding, a new movement was afoot with promises to save the world. This movement, by some scholars referred to as 'philanthrocapitalism', aimed to revolutionize philanthropy by making non-profit organisations operate like businesses and deploying market mechanisms on a much larger scale to promote development and social change (Bishop & Green, 2008). At the forefront of this movement were wealthy people eager to apply the same methods and ways of thinking that made them successful in business, in the search for social and environmental transformation (Rogers, 2011). While accusing the traditional types of philanthropy to have a lack of focus, be ineffective, and inefficient, affluent businessmen and women and celebrities claim to be radically different by being result-driven and making fruitful use of their entrepreneurial experience and network (Bishop & Green, 2008; Farrell 2014).

In the Netherlands alike, the trend of philanthrocapitalism has changed the landscape of the development sector. Many Dutch non-governmental organisations (NGOs) have been subject to budget cuts from the government, resulting in an increased focus on private funds and initiatives (Koot & Fletcher, 2020). Through the use of market mechanisms and privatization, philanthrocapitalists exercise power by making decisions about public causes "according to their own priorities, prejudices, or idiosyncrasies, what causes matter, how much to spend on them, and in what manner" (Kapoor, 2013, p.65). As a result, NGOs are nudged to become more 'business-like' (van Ewijk, Kamphof, Maas, & van Gent, 2017; Savelli, Schwartz & Ahlers, 2019). International development has become increasingly dependent on private sector partners or other forms of neoliberalism to succeed (Mediavilla & Garcia-Arias, 2019). Oxfam Novib (2019), for example, has stated that several major donors, private (family) foundations and special relations have become important sources of income to fund their work.

Although NGOs are increasingly engaging with private sector partners, there is little rigorous evidence so far supporting the claims made regarding the transformative nature and success of philanthrocapitalism. Instead, different scholars have critiqued private donors for having agendas of their own (Edwards, 2009; Kapoor, 2013; Mediavilla and Garcia-Arias, 2019). Decision-making structures lack democracy as philanthrocapitalism concentrates the power in the hands of a few (Reich, 2018). Consequently, interventions have little downward accountability (Barnett, 2013). Moreover, scholars argue that by employing market principles for development and focussing on delivering technical solutions, the underlying structural social issues in society are ignored (Koot & Fletcher, 2020). This de-politicization has led to "the removal of public scrutiny and debate, with the result that issues of social justice are transformed into technocratic matters to be resolved by managers, 'experts', or […] celebrities" (Kapoor 2013, p.3). Hence, scholars are critical regarding the ability of philanthrocapitalism to induce long-term transformation of structures of poverty and inequality (Edwards, 2009; Rogers, 2011; Kapoor, 2013).

Parallel to the growing trend of philanthrocapitalism, there has been increased debate among scholars and development actors featuring calls for greater inclusion of local actors and addressing unequal power relations. The term local is thereby used to distinguish "the sphere of the country in which the intervention occurs from the outside world" (Roepstorff, 2020, p. 289). This movement has become popularly known as 'localization' and has become a true buzzword since the Grand Bargain in 2016, an

agreement made during the World Humanitarian Summit between 61 actors aiming to make international response more effective (Barakat & Milton, 2020). Not only is the Grand Bargain the largest agreement of its kind, it also translated the abstract idea of localization into eight categories of commitments made by the humanitarian sector: greater transparency, local capacity building, increased cash-based programming, reducing management costs, joint needs assessment, local participation, reduce ear-marking of donations, and simplify reporting (Van Brabant & Patel, 2018). Although many development organisations are familiar with the agenda of localization, scholars argue that real progress or radical change towards increased localization continues to hamper. According to these scholars, the institutionalisation of development, self-interest of organizing bodies, and increased competitive business practices contribute to maintaining the status quo. As a result, local workers continue to be subordinate to international donor NGOs based in the global North (Roche & Tarpey, 2020; Bryant, 2020).

One can argue that one of the reasons that localization continues to hamper is because the concept of localization stands in stark contrast with philanthrocapitalism. As localization aims to shift the power of decision-making and agenda setting to the local development actors, philanthrocapitalism concentrates power in the hands of a clique of wealthy people. Hence, these two emerging trends in development potentially create a tension for international NGOs (INGOs) who try to attract large private donors and engage with philanthrocapitalism on the one hand, and increase local-led development projects on the other. Despite the fact that there has been a call from scholars to further investigate localization in the development sector and study its interface with the shrinking space for civil society, so far few attempts have been made (Roepstorff, 2020).

Besides the trends of philanthrocapitalism and localization having an impact on the distribution of power in Dutch development organisations, it seems that recently the sector has become subject to even more transformations. The world is currently facing the global outbreak of the COVID-19 pandemic. The unfolding outbreak of the coronavirus has a devastating impact on the world's poorest, most fragile communities. Moreover, it has immense effects on the international development sector: numerous international aid workers and volunteers were forced to return to their home countries, countries with weak healthcare systems seek to preserve their self-isolation from international visitors, development projects have come to a sudden halt, and international supply lines of aid have shown great vulnerability in these times of global unrest as streams of goods and services are heavily disrupted (Roche & Tarpey, 2020). Both development organisations based in the Netherlands, as well as local actors from the country of the development intervention are confronted with these challenges and require an appropriate response, and potentially even long-term restructuring as the exact time span of the crisis remains unsure.

Looking at the past, lessons from the response to the Ebola crisis in 2014 highlighted the vital role of local actors (Dalrymple, 2020). In recent popular articles, scholars have argued that the COVID-19 crisis response potentially presents opportunities to accelerate progress on the localization agenda. According to Inter-Agency Standing Committee (IASC, 2020), the humanitarian coordination forum of the UN, the COVID-19 response demonstrates that the Grand Bargain commitments are more relevant than ever. Byrant (2020) argues that the humanitarian response to COVID-19 has exposed the limits of the current system – but it could prove to be a catalyst for reform. Ed Schenkenberg van Mierop, executive director of the think tank HERE-Geneva, wrote that "this pandemic, and in particular the related travel ban, will

be used as evidence that the notion of 'overseas aid' is increasingly outdated, inefficient, and ineffective, if not unethical," (Aly, 2020). Although there is much speculation about whether and how COVID-19 could influence the localization agenda, empirical evidence remains unavailable.

Additionally, NGOs face enormous challenges related to a sudden loss in funding and potential long term financial gaps as a result of COVID-19. Some media outlets predict that private donors plan to maintain – or even increase - the amount they donate to charity this year (Artemis Strategy Group, 2020). However, findings from the report "How do charities adapt to the impact of COVID-19" (Opinium Research, 2020) reveal that as a result of COVID-19 many individuals have halted their donations as a result of economic hardships they face. Losing many small donations from the general public could potentially lead to NGOs becoming increasingly dependent on large private donors, whose wealth is affected less by the current crisis. Accordingly, the report advises charities to "use celebrities to help encourage support and raise money" (Opinium Research, 2020 p. 7). This raises questions whether the COVID-19 crisis will encourage philanthrocapitalist practices. Moreover, it leaves one to wonder whether and, if so, how the current crisis potentially affects the earlier mentioned tension between the localization agenda and philanthrocapitalism. Additionally, it remains uncertain whether any changes are solely short-term or whether this crisis has the potential to reshape power structures within international development. This thesis will shed light on these important questions and contribute to the debate on how the current COVID-19 outbreak impacts international development. Moreover, this thesis will contribute to a further conceptualization of localization in development in relation to the trend of philanthrocapitalism. This will be done by answering the following main research question:

How do Dutch development NGOs deal with attracting big private donors on the one hand and increasing downward accountability on the other, and to what extent does COVID-19 influence this tension in the distribution of power?

To successfully answer the main research question, the following sub-questions will be investigated:

1. *How does the trend of philanthrocapitalism influence the distribution of power within Dutch development NGOs and to what extent has the COVID-19 crisis affected this?*
2. *How does the call for increased localization influence the distribution of power within Dutch development NGOs and to what extent has the COVID-19 crisis affected this?*
3. *How do Dutch development NGOs deal with the tension in the distribution of power created by philanthrocapitalism and localization and to what extent has COVID-19 affected this?*

To gain a better understanding of the concepts philanthrocapitalism, localization, and power, a theoretical framework is provided in chapter 2. In Chapter 3 I elaborate on the methods used to answer the research questions and its limitations. Following, in Chapter 4 I will present all findings in three subchapters, according to the sub-questions. Next, I will provide a discussion, aimed to connect the results with the broader debate of power distribution in the development sector (Chapter 5). Lastly, in the conclusion, I present my argument, which is that localization and philanthrocapitalism, as they can both hinder and accelerate each other, create a playing field in which NGOs have to maneuvre. Although power can be found at all levels in this playing field, it is argued that power is not mediated by all in an equal manner.

Those with money seem to be able to mediate power more than others. Hence, I propose a dual framework to understand this two-sided character of power.

2. Theoretical Framework

This chapter first elaborates on the concepts of philanthrocapitalism and localization by providing an extensive literature review and identifying current gaps in this field. Next, a conceptual framework is proposed on how this research examines the distribution of power in development.

2.1. Philanthrocapitalism

The term "philanthrocapitalism" gained increased attention in 2008, when economists Matthew Bishop and Michael Green (2008) published their book 'Philanthrocapitalism: How the Rich Can Save The World'. In the midst of the economic crisis, at the time when non-profits struggled to get funding, Bishop and Green promoted philanthrocapitalism as a form of development funding that infuses philanthropy with business principles with a promise to solve the world's social problems (Rogers, 2011; Wilson, 2014; Bishop & Green, 2008). Bishop and Green's (2008) argument goes by a range of labels, such as 'creative capitalism' (Gates, 2008), 'inclusive capitalism' (Forester de Rothschild & Barton, 2012), and 'conscience capitalism". (Farrell, 2014). As such, the concept has developed in encompassing both projects emerging in the for-profit, as well as the non-profit sector that seek to connect neoliberal principles with doing good (Farrell, 2014). As a result, capitalist mechanisms and structures are not questioned, but supported: "the role of the market is "normalized" and free market is assumed to be the key mechanism for social/ humanitarian and/or environmental change" (Farrell, 2015, p.296).

The wave of philanthrocapitalists was one of the most significant appearances in the development sector at that time, especially considering the large amounts of funding that were brought into the development field by so-called philanthrocapitalists, affluent people using their wealth to invest in charity (Sintes, 2009). According to their website (Financial Information, n.d.), the Bill and Melinda Gates foundation spend $3 billion a year after receiving an additional $31 billion from fellow philanthropist Warren Buffet. Other celebrity corporate billionaires that have joined the philanthrocapitalist movement, among others, are George Soros, Mark Zuckerberg, and Jeff Bezos (Kapoor, 2013; Giridharadas, 2018). The projects they engage in are defined by quantitative goals, short term objectives, commercial management, and marketing. They use market principles to reach the bottom of the pyramid. Different from traditional philanthropic foundations, they place more emphasis on the intervention by the donor and using a "business-like" approach to development, employing the same business principles that once made them successful (Edwards, 2009). According to Diallo (2015), philanthrocapitalists can make fruitful use of their entrepreneurial experiences, as well as their personal network. Adam Waldman, founder and president of the Endeavor Group, a Washington-based philanthropic consultancy, says the hallmarks of the new philanthropy are "an entrepreneurial results-oriented framework, leverage, personal engagement, and impatience" (Foster, 2007). This impatience relates to a widespread dissatisfaction regarding the methods and achievements of the traditional development actors, such as government and NGOs (Magat, 2008). Philanthrocapitalists judged former attempts of philanthropy to be ineffective. They were considered to have serious short-comings, such as timidity, lack of focus, weak accountability, and inefficiency. The private sector views these older foundations as "analog players in a digital world" (Edwards, 2009, p. 245).

Critics of philanthrocapitalism claim that its effectiveness has thus far not been proven (Edwards, 2009; Mediavilla & Garcia-Arias, 2019; Koot & Fletcher, 2020). The most controversial aspects are centered around three major issues. The first major critique is related to the power philanthrocapitalists have in terms of agenda setting and an existing lack of shared decision-making structures (Edwards, 2009). Hence, philanthrocapitalism can be seen as a top-down intervention, with the concentration of power in the hands of a few, and where donors need to remain satisfied (Barnett, 2013). Scholars argue that philanthrocapitalism increasingly involves issues of hegemony instead of those of altruism (Morvaridi, 2012; Kapoor, 2013; Mediavilla & Garcia-Arias, 2019) This has resulted in a lack of downward accountability, a decrease of the democratisation of philanthropy and spreads competitive principles into civil society to attract donors (Polman, 2011; Barnett, 2013; Farrell, 2014; Reich, 2018; Koot & Fletcher, 2021). According to Barnett (2013), such competitive principles leads to diffusion in humanitarianism.

The second major issue related to philanthrocapitalism that scholars have discussed, is the business-inspired approach adopted by philanthrocapitalists. It is argued that this approach results in finding technical solutions to political problems. This translates in an emphasis on investments that increase marginalized people's immediate access to material goods and service, rather than taking structural issues into account. Hence, it inhibits its potential to create long-term transformation of the underlying social, economic and political landscapes that determine inequality (Edwards, 2009). In other words, it appears that philanthrocapitalism functions as what Ferguson (1994) would describe an anti-politics machine in which politics and power are obscured and seen as technical 'problems', and should thus be left with the "experts", or the philanthrocapitalists (Barnett, 2013; Mediavilla & Garcia-Aria, 2019). Those who have experience but not the bureaucratic power might be discriminated against (Barnett, 2013). In that sense, development can be seen as an apparatus that perseveres forms of domination and governmentality (Barnett, 2013).

Third and last, critics argue philanthrocapitalists use the same market principles that made them successful and created inequality in the first place (Edwards, 2009; Kapoor, 2013; Joy & Shields, 2018; Giridharadas, 2019; Liechty, 2019). Or as Mediavilla and Garcia-Arias (2019) state: "philanthrocapitalism uses market transformations at the micro level to supply the failures of macroeconomics" (p.859). This has resulted in the problematic paradox that philanthrocapitalism thrives off "its own ineffectiveness" or the "very inequality that its own presence might be inadvertently compounding" (McGoey, 2015, p.147). Previous research has confirmed that philanthrocapitalist initiatives "allow neoliberal capitalism to further extend its reach under the pretense of empowering those whom it marginalizes." (Koot & Fletcher, 2020, p. 288). Thus, making real empowerment nearly impossible. These critiques stand in stark contrast with the concept of localization, which the following section will elaborate on.

2.2. Localization

Among scholars and practitioners, much debate exists about the exact meaning of localization. The term localization has developed as a concept over the years in different fields. In international management the term localization describes "a process of organizational change focusing on how to delegate organizational performance initiatives from the international side (expatriates) to the local side (local staff)" (Ono, 2004, p.abstract; Hickey, 2017; Sundburg, 2019). Some have used the term localization for

the embedding of global norms in local environments, a process of "active construction, through discourse, framing, graming, and cultural selection, of foreign ideas by local actors" (Acharya, 2004; Bonacker, von Heusinger, & Zimmer, 2016). In later research, this definition of localization is adopted and unfolded by investigating how these international norms are transferred to aid-receiving countries through development policies and programming and with what outcomes, when tensions exist between these norms and local realities (Bonacker et al., 2017). Hence, a successful localization is then seen from a point of view of the local actors, when their biographies, personal views, and local political opportunities as well as constraints of organisations are taken into account (Kluczewska, 2019). In peacebuilding studies, the terms 'delocalization' and 'localization' are seen as the processes of how aid actors position oneself, by either deliberately choosing to avoid being framed as 'local' to increase one's neutrality and authority (delocalization) or choosing to act as gatekeepers and translators between the international community and local communities (localization). In other words, local actors decide themselves how they want to be perceived (Kappler, 2015).

Despite the divergence about the exact meaning of the term localization, in essence it can be described as "a process of recognising, respecting and strengthening the leadership by local authorities and the capacity of local civil society in humanitarian action, in order to better address the needs of affected populations and to prepare national actors for future responses" (Roepstorff, 2020). As a result, local and national actors are put at the center of international development by significantly expanding their role (de Geoffroy, Grunewald and Cheilleachair, 2017; Bruschini-Chaumet, Shama, Othman, & van Hilten, 2019). The term local is thereby used to distinguish "the sphere of the country in which the intervention occurs from the outside world" (Roepstorff, 2020, p. 289). The increased involvement of local and national actors can take many forms, but for the purposes of this thesis, the localization of development refers to a shift in tasks, power, and funding from international actors and donors to national and local aid workers. What exactly is meant with power is further conceptualized in section 2.3.

In the field of international development, the idea of localization is as old as the notion of development itself (Barakat & Milton, 2020). Whilst colonial officers benefitted from having an intimate understanding of local conditions, soon advances in communication technology shifted power away from field offices to head offices. Over the years, as civil society grew, most attention was directed towards international actors, often without truly taking notice of the local context. As Barakat and Milton (2020) state: "an emphasis on the local is something that has been lost in much development work.". Recently there have been more calls for development to stir away from technical and international solutions, and become more political and local (Booth & Unsworth, 20124). Understanding, appreciating and empowering "the local" has been an evolving process throughout the different contemporary development debates. Post-development theories, for instance, critique the idea of neocolonial Northern-dictated development agendas, instead of recognizing the multiplicity of local knowledge, practices, and structures (Scholte & Soderbaum, 2017). Whilst global-local dynamics have thus been a long debated topic in international development, over the past few years there has been a much louder call for a more serious commitment to localization. Not only in development, but also in peacebuilding and humanitarian aid, poor downward accountability processes and continuing power asymmetries between those "who give" and those "who receive" are increasingly criticised (Barnett, 2013; Gingerich & Cohen, 2015; Bruschini-Chaumet et al., 2019; Sundberg, 2019; Barakat & Milton, 2020).

Since 2016, the term localization became increasingly popular as a result of the Grand Bargain of the World Humanitarian Summit. The Grand Bargain is an agreement signed by 61 actors, including INGOs, world leaders, and some of the world's largest donors, to reduce the humanitarian financing gap and improve efficiency and effectiveness of humanitarian action through localization. The Grand Bargain, which is the largest agreement of its kind, consists of 51 commitments, mainly revolving around issues such as direct funding, transparency, partnerships, capacity strengthening, participation, coordination, and communication (UN, 2016). Under the slogan 'local as possible, as international as necessary', these commitments acknowledge a need to empower the local actors and make development interventions less top-down (Duclos et al., 2019). One could argue that the Grand Bargain, with its ambitious agenda and the large amount of signatories, can be seen as a potential turning point in development and humanitarian aid. Although the Grand Bargain mainly focuses on the implementation of localization in humanitarianism, as part of the agreement, the "Double Nexus" approach was proposed to increase cooperation between the humanitarian and development sectors, with the aim to improve responses in humanitarian settings where deep-rooted development challenges coexist (Mohamed-Saleem, 2020). Based on this observation, one could suggest that the arguments, experiences, and problematiques concerning localization are applicable to both sectors. Hence, the very rigid distinction between humanitarianism and development becomes obsolete. Despite the localization agenda as an outcome of the Grand Bargain being relevant for the international development sector alike, the exact implementation of this agenda remains unsettled.

Those in favour of localization argue that it could lead to more efficient, effective, and sustainable development (Dixon, Moreno, Sadozai & Asaad, 2016; Duclos, et al., 2019). Additionally, they expect that by increasing local capacity and funding, the power slowly shifts from the relatively small number of actors in the Global North to actors in the Global South that have previously been neglected as they are not as large, well-funded, or professionalized (Bruschini-Chaumet, et al., 2019). This means that at the governance level, the localization agenda challenges a certain ontology of power governing the current international development sector, in which international actors are in control over local partners (Duclos et al., 2019). On an operational level, localization can increase cost-efficiency as national and local staff are generally paid less compared to international staff (Bruschini-Chaumet et al., 2019). Additionally, local actors can provide more speedy and accurate responses as they are already on-site, can provide better access to local communities due to their ability to build trust (McCann, 2015), and have better knowledge of the cultural and political context (Bruschini-Chaumet et al., 2019; Roepstorff, 2020). Moreover, due to their sustained presence, local actors are better placed to provide a bridge between the initial humanitarian response to longer-term development aid and peacebuilding (Duclos et al., 2019). Hence, for a successful implementation of the Triple Nexus, local actors are crucial. However, research has demonstrated that the extent to which this potential is realised, is greatly dependent on the relationship with local and national actors that is employed by the international aid community (Dixon et al., 2016). Moreover, according to Booth & Unsworth (2014, p.key messages) localization can only be successful if "donors abandon practices that assume development progress to be simple, predictable and deliverable from the outside". When done right, the decentralization of aid could potentially foster local capacity building, grass-roots organization, and a participation revolution (Barnett, 2013).

Whilst there is a growing consensus around the need for some form of increased localization in the development sector, the process still faces a number of challenges and concerns. Firstly, many international actors remain apprehensive to transfer real power to national and local actors. Their concerns are often related to the capacity of local actors, their ability to scale up, and their political neutrality in times of conflict (Dixon et al., 2016; Bruschini-Chaumet et al., 2019; Duclos et al., 2019; Barakat & Milton, 2020; Roepstorff, 2020). Yet, Jayawickrama (2018) argues that this depiction of a capacity gap in the Global South is merely a self-serving, paternalistic framing constructed by the Northern-dominated development sector. Another challenge common to localization is defining the local (Barakat & Milton, 2020). Besides the lack of clarification of who exactly are meant by local actors, recent research has challenged the reductionist binary of "international" and "local". According to them, this dichotomy reinforces perceptions that international staff have the expertise, in contrast to the local or national staff, who are presumed experts on the "local". Scholars have criticized this conceptualisation of the local for perpetuating hierarchical relations, the very issue it wants to redress (Sundburg, 2019; Roepstorff, 2019; Roepstorff, 2020). Moreover, some argue that although local actors play a key role in gaining access to certain vulnerable populations or conflict areas, as a result these actors often bear disproportionate risks compared to international aid workers who often receive enhanced security (Duclos et al., 2019; Roepstorff, 2020). Lastly, it can be argued that as localization shifts the power and knowledge away from international actors, this process can perhaps inhibit forgoing efficiencies improvements offered by these international experts and technologies (Barnett, 2013).

As a result of these challenges and concerns, many INGOs remain reluctant to shift power and attempt to limit the power of local and national organisations through tightly controlled subcontracting partnerships. Nonetheless, such arrangements can discourage the potential added value of these local actors, resulting in ineffective or inappropriate development aid (Gingerich and Cohen, 2015; Dixon et al., 2016; Bruschini-Chaumet et al., 2019).

2.3. Power in Development

In order to answer the proposed research questions, understanding the concept of power is crucial. Nonetheless, there is little consensus on what it exactly is and how it should be understood in development studies (Nuijten, 2005; Han, 2018). Foucault (1980), one of the most widely acknowledged power-theorists, approaches power as modifying the actions of others, either enabling or restricting them. Social relations are central in Foucault's understanding of power, as he argues power to be produced and reproduced through constant interaction between different people. He argues that power is not wielded by a few, but instead power is exercised by everybody (Foucault, 1980). All individuals are vehicles of power, meaning it is not centralized but diffused through society. While Foucault's work has drawn attention to the relational aspects of power, he stirs away from Marx' and Weber's view on power as strictly being repressive, against one's will, and as structural control of resources by individuals (Barbalet, 1985; O'Neill, 1986). Instead, Foucault (1980) focuses on the 'normalizing' aspects of power, which can be found at all levels of social interaction and in all institutions and organisations. Hence, adopting Foucault's view on power is especially useful as it helps to uncover multi-directional power relations manifested in such places, such as NGOs. Moreover, Foucault's conception of power embrace the idea

that power is not timeless and not universal, making it applicable this research focussing on different trends in development and the impact of COVID-19.

In development projects, people or stakeholders tend to act or make choices based on that what is believed to be expected or that what is supposed to be "normal" or "the norm". As development projects usually operate through collaborations between different stakeholders, including donors, development organisations, local project coordinators, and beneficiaries, power is produced and exercised by all. This power is in constant movement: it circulates, changes and re-evaluates relations between people (Foucault, 1980). For example, it could be argued that as a result of the increasing trend of localization, organisations aim to shift power from western-based organisations to the countries of intervention. In order to do so, organisations invest in increasing local capacity and direct funding. The mobilization of these attributes can function as a medium to increase power among these stakeholders (Allen, 2003). This is in line with Foucault's (1980) argument that power is a 'mediated effect', which can be influenced by certain attributes that individuals can have.

In order to investigate certain patterns of power distribution in the context of Dutch development organisations, I will adopt the view of power as such a mediated effect. This mediated effect can be influenced by certain attributes that individuals or a group of individuals can have, based on an analytical framework that distinguishes four categories of attributes prevalent in development projects: knowledge, capacity, authority, and accountability. Below all four attributes will be elaborated on in the context of this thesis.

2.3.1. Knowledge
Continuing to follow Foucault (1980), power and knowledge cannot be seen as independent entities. Knowledge is an exercise of power, and power is reproduced through knowledge. Ways to constitute knowledge, together with social practices, forms of subjectivity and power relations is what Foucault refers to as 'discourse'. Power is selective as it can decide what is important and what is not, thus defining the dominant discourse, the norm, and rationalities (Foucault, 1980; Flyvbjerg & Sampson, 1998). 'Discourse' can be understood by the general definition provided by Grillo & Stirrat (1997): 'A discourse [for example, of development] identifies appropriate and legitimate ways of practising development as well as speaking and thinking about it' (p.12; Rossi, 2004). Colonial critics have added to this idea by arguing that often the "observers" or those from Western countries assign themselves the power to define the "observed" or those from developing countries (Asad, 1973). Moreover, Escobar (1988) suggests to speak of development as "a historical construct that provides a space in which poor countries are known, specified, and intervened upon". In other words, the dominant discourse is central in agenda-setting in development projects. Through power, knowledge becomes institutionalized and embedded in the Dutch development sector. As the Dutch development sector is made up of different stakeholders, each with their own knowledge and truths, patterns of power can be discovered by unravelling which discourses are decisive. In recent decades, philanthrocapitalists have argued to be in the possession of 'expert' knowledge that can lead to more effective and efficient development, and as a result, local knowledge tends to be disregarded (Fejerskov & Rasmussen, 2016). Nevertheless, the trend of localization aims to draw more attention to local knowledge, thus challenging the historically constructed dominant discourse often still present in development practices today (Escobar, 1988). Additionally, the COVID-19 crisis

could potentially make local knowledge more important as INGOs become more reliant on their local partners as source of information as they can no longer visit project sites themselves.

2.3.2. Capacity

Numerous studies identify capacity to be closely related to the notion of power. Scholars have identified capacity as the possession of the material, scientific, social or political means of power (Wrong, 1968; Foucault, 1980, 1988; Boanca, 2012). According to Bebbington et al. (2006) capacity can be viewed in terms of the resources actors can draw upon. This thesis will adopt two tools by Fiszbein (1997), being: a) labor and b) capital. This categorization suits the purpose of this research as the mentioned resources play important roles in the trends of philanthrocapitalism, localization and the current COVID-19 outbreak, as will be explained now.

a) Labour

Local capacity is often used to refer to the presence or absence of local aid workers (Fiszbein, 1997). Typically, local organisations collaborate with large INGOs. The localization agenda has supported the transfer of responsibilities from international aid workers to local aid workers. As a result of the COVID-19 crisis, this process seems to accelerate as many international workers had to be repatriated out of the countries of intervention, leaving more responsibility with their local counterparts. Nevertheless, the trend of philanthrocapitalism causes corporate actors to become more involved in philanthropy, not only through increased donations, but also increasingly through (voluntary) labour. They are eager to participate and collaborate by offering their services or visiting the field (Koot & Fletcher, 2021).

b) Capital

While labour refers to the "human dimension" of capacity, capital refers to the "physical dimension", meaning buildings, materials, and money (Fiszbein, 1997). Different scholars argue that power relations are directly connected to economic relations (Foucault, 1980; Flyvbjerg & Sampson, 1998; Chen, 2001; Boanca, 2012). For example, Flyvbjerg & Sampson (1998) found in his study that "money adds weight to the arguments, helping them become demands" (Boanca, 2021, p.22). Whereas the trend of localization has committed to shifting power by providing direct and "un-earmarked" donations to the countries of intervention, philanthrocapitalism draws the power to major private donors as development organisations have become increasingly dependent on these actors for funding. Moreover, philanthrocapitalism has stimulated the adoption of business principles and market mechanisms to generate capital, meaning power is now also held by the consumer. Considering COVID-19, one could argue that it creates an even more challenging funding climate for organisations, as they might loose donors and face disruptions in their market-based strategies, such as organising events or trips, to raise their income.

2.3.3. Authority

Power is not just about carrying out ones will, it also concerns a justification or acceptance of the exercised power by others (Giddens & Sutton, 2021). Several scholars have referred to this as "authority" or "right to act" (Weber, 1922; Giddens, 2009; Barbalet, 1985). In development projects authority translates into the acceptance or rejection of orders or directives of certain stakeholders. Escobar (1995) argues that 'principles of authority" in development interventions often involve the "role of the expert who continually identifies problems, categorises and labels them and then intervenes to resolve them"

(Kothari, 2005). Therefore, investigating how decision-making processes within international development projects take place can unravel patterns in power distribution. Philanthrocapitalists argue that they have authority based on their previous successful endeavors, presenting themselves as experts on solving complex problems and justifying their wish for being involved in making decisions (Edwards, 2009). Although localization aims to give more authority to local organisations, for example by letting them decide what they want to spend their money on and how, it is still limited. Authority is about the acceptance of power exercised by others. Nevertheless, it seems that INGOs still play an important role as they can decide what input they are willing to accept from local actors, thus controlling their authority. It is unsure how COVID-19 can cause a change in authority.

2.3.4. Accountability

Accountability is related to the distribution of power as it influences the relationship between actors (Han & Demircioglu, 2016). Accountability defines "who can call whom to account, and who owes a duty of explanation and rectification" (Kilby, 2006, p.953). When someone is accountable for something, not only are they responsible for fulfilling what is expected or agreed upon, accountability also carries the possibility of evaluation, being either negative by being punished, blamed or excluded or being positive through praise or promotion. Such evaluations in development studies are often conducted in the form of monitoring and evaluation practices or certain reporting requirements. As Wenar (2006) pointed out, accountability always has a "direction" - "it points to those to whom one must give account". Any stakeholder at whom accountability points has distinguishable power. This type of power often includes setting standards, indicators and goals, and judging whether the accountable agent successfully complied. In international development projects previous research has been critical towards the distribution of power through unbalanced mechanisms accountability. Rich individuals who are responsible for providing resources through private donations are often unaccountable for discharging their responsibility towards certain projects or beneficiaries (Wenar, 2006). Moreover, philanthrocapitalism creates a system in which donors have a large say in how their money is spent and under which conditions. These major donors require extensive reporting, thus creating high upward accountability. Nonetheless, localization in development has made efforts to hold development organisations more accountable towards their promises, promoting increased downward accountability. As COVID-19 has caused partnerships between INGOs and local organisations to be remote, some mentioned that it could pose the risk of INGOs expecting increased reporting or accounting mechanisms from their local partners. Nevertheless, the results of this research should point out whether these hypotheses hold true or not.

The results will be analysed using these four attributes, as they will help to gain a better understanding of the distribution of power within the Dutch development sector. Following the argument of Foucault (1980), such analysis will not help to determine who has the power and who is marginalized, rather it helps to disentangle the patterns that constitute different social relationships and unveiling specific rationalities. How this is done exactly and which methods are used, will be discussed in the next chapter.

3. Methodology

This chapter elaborates on the methodology that was used to answer the research questions and the limitations of the research.

3.1. Methods Used

In order to collect sufficient data to answer the research questions, two main methods were used, which will be explained in more detail now.

3.1.1. Critical Discourse Analysis

This thesis draws on critical discourse analysis to focus "on the role of discourse in the (re)production and challenge of dominance [which is] the exercise of social power by elites, institutions or groups, that results in social inequality" (Van Dijk 1993, 249–250). This method was chosen as it allows to discover patterns of power in the discourse produced by development organisations related to COVID-19, localization, or philanthrocapitalism. The analysis comprises online, public information of 15 development organisations. These organisations were chosen because the participants of the interviews work for these organisations. Depending on availability and relevance, subject to analysis were websites, online articles, mission statements, annual reports, and strategy documents, among others. Moreover, a comparison was made between the financial reports from 2015 and 2019, to make claims about the dependency on different sources of income and changes of dependency overtime. Different categories of income (institutional, individuals, corporates, and foundations) were identified and compared in absolute and relative numbers. As not all financial reports of both 2015 and 2019 were accessible, and since each organisation has its own criteria and labels for categorizing, it was not possible to make a highly accurate analysis. Nevertheless, the comparison still allows to observe general trends. Findings from the analysis are included in the results and were used to prepare the interviews, as described in the next section.

3.1.2. In-depth Interviews

The second method used are interviews. Semi-structured, in-depth interviews were conducted with 22 participants. Together these participants work for 15 different organisations. I chose to focus on the perspective from the Dutch NGOs as their position as middlemen, situated between donor and local partners, they are positioned where the "tension" between philanthrocapitalism and localization takes place. As such, almost all participants are (or were until recently) employers of Dutch development organisations, with one exception: 1 participant volunteered for a humanitarian organisation. Among the participants were 19 Dutch development workers, of which 4 work in the project countries. Among the Dutch employees working abroad, 2 were repatriated back to the Netherlands during COVID-19 and 2 stayed in the country. Moreover, I had the opportunity to interview 3 local development workers. These interviews helped to gain a more in-depth understanding how the trends of localization and philanthrocapitalism, and the outbreak of COVID-19, affect the relationship between local and Dutch organisations. Providing valuable insights from the situation on the ground, these interviews also functioned as a (limited) check of the arguments provided by Dutch development workers.

All interview participants work in different domains of development, including: project management, (private) fundraising, corporate partnerships, and localization among others. A diverse sample helped to gain an in-depth and multi-angular understanding of the research topic. The first participants were approached through purposive sampling through my network. These initial participants were able to provide more access to participants, leading to snowball sampling. For a more detailed overview of all participants (name, organisation, job title, location), refer to Appendix A. Almost all interviews were conducted online through video calling. A tailor-made topic list was created beforehand to conduct semi-structured interviews (see Appendix B). For the topic list not only the participants' job responsibilities were considered, but also information from their organisation's website or reports was used as starting points for discussions. Most interviews lasted between 45-60 minutes and were recorded for transcription (with permission of participants). As all interviews were conducted in Dutch and English, no translator was needed. Interviews were coded according to the main concepts: philanthrocapitalism, localization, COVID-19, and power (knowledge, capital, labour, authority, and accountability). Analysis of the coded interviews enabled to gain a clear overview of all findings, which are presented in the next chapter.

3.2. Limitations

As in any research, the chosen methods hold limitations. I will discuss the two main limitations now.

3.2.1. Online Communication
Due to the current restrictions caused by COVID-19, most interviews were conducted online. As a result, this posed some challenges. Firstly, some interviews were subject to connectivity problems or delays, making it difficult to swiftly step in on participants' responses or hear what was said. Second, online communication did not allow full observation of one's body language. Third and last, online interviews, did not allow for informal conversations prior to and after the interview, making it harder to establish mutual trust and a good relationship, as the time of interaction was shorter and more distant.

3.2.2. Positionality And Social Desirability
When conducting interviews with participants, personal positions challenge the notions of value-free research. Especially since the research focuses on power as a mediated effect, it becomes clear that power is exercised through the formulation of questions, the terms used, and interaction with participants through discourse. This should be reflected upon during the analysis of results. Moreover, it is important to consider that the results could potentially be subject to social desirability bias. As there seems to be a critical judgement in development regarding good and bad practices, it is highly likely that participants answered the question in a manner that will be viewed favourably by others. Especially because all participants are called by name and organisation, they were aware that their answers can be read by a broad audience, including critical colleagues or (potential) donors. Moreover, it is expected that the interviews with local development employees are even more subject to social desirability bias. Existing power structures can cause these participants to feel reluctant to reveal true attitudes or feelings or might pressure them to present a positive view on the collaboration with their international counterparts. Especially, since these local participants were introduced by Dutch employees, it is understandable that they remained reserved in their answers. This bias could interfere with the interpretation of the results.

4. Results

In this chapter I will present the results from the critical discourse analysis and interviews. The subchapters are structured according to the three subquestions. Subchapter 4.1. investigates how philanthrocapitalism and COVID-19 have caused a shift in the distribution of power within Dutch NGOs. Subchapter 4.2. aims to do the same for the trend of localization and COVID-19. And lastly, subchapter 4.3. focusses on the tension created by philanthrocapitalism and localization.

4.1. Philanthrocapitalism

In this subchapter I will explain how philanthrocapitalism has influenced the Dutch development sector. I will illustrate to what extend the sector is influenced by the trend of philanthrocapitalism and how the increased focus on market principles manifests itself. Moreover, this chapter will explain what the implications are for the distribution of power within the sector and how COVID-19 has impacted philanthrocapitalism.

4.1.1. A Changing Landscape: From Institutional To Private Funding

Several organisations stated to have experienced budget cuts from the government over the past few years. Reviewing the annual financial reports revealed that at least a third of the participant organisations experienced a decrease in the relative share of government funds in 2019 compared to 2015. Nevertheless, this trend does not hold for all organisations. For many organisations the phasing out of governmental grants has meant that they experienced an increase in competition among INGOs to get funding and are more incentivized to diversify their funding sources. As a participant explains:

> Up until 2015 we [Edukans] received a large amount of subsidy for big programs from the Ministry of Foreign Affairs. The government has shut down all those big programs. So that has been the biggest change in terms of income over the past few years. We used to have sufficient funding and could decide where we wanted to work and how we wanted to do it. As long as you had a good plan, you would receive money. Since 2016 we have become much more dependent on foundations, schools and churches, and businesses. We are also trying to raise funds internationally, with the Mastercard Foundation, for example (interview 14, 15 November 2020).

Besides Edukans, there are several other organisations, who explained to have become more reliant on income from private sources, including major donors, foundations, and businesses, which will be discussed below.

Major Donors
Although results show that income raised through door-to-door campaigning and income from donor subscriptions for a small monthly contribution have decreased, the focus on major donors has increased. Major donors stand for large private contributions from often wealthy individuals. According to several Dutch NGOs, a growing market in this category is income from legacies. Legacies often consist of high

amounts, mostly non earmarked, meaning that the organisations can decide how the money is best spent, and come with little to no reporting requirements. Hence, legacies are a preferred source of income for organisations compared to foundations for example, as foundations often want to be more involvement in how their money is spent.

Foundations
Financial reports show that most organisations experienced an increase in income from foundations compared to 2015. In the interviews several organisations stated to receive income from foundations, such as the Heineken Foundation, IKEA foundation, Ford Foundation, Bill and Melinda Gates Foundation. Although most organisations have received more income from foundations in the past years, the interviews revealed that organisations experience mixed results of success when it comes to fundraising through foundations. As application processes can be lengthy and complex, some organisations stated that they do not have sufficient capacity for these funding applications for foundations. It seems that corporate fundraising is more fruitful for most organisations.

Companies
The financial reports of Dutch development organisations reveal that in almost all cases the income generated through companies has grown in both absolute and relative numbers as part of the total budget between 2015 and 2019. Half of the organisations included a category for "income from companies" in their financial reports from 2019, whereas they did not in their reports of 2015. Hence, it can be said that for many organisations the focus on corporate fundraising has increased in the last few years. A participant confirms:

> Yes, I do believe that the donations we [UNICEF] receive from companies have become more important. We have a few large companies, like ING and Philips, which are important partners. However, on the other hand we also notice an increase in small and medium enterprises, for example bakeries or pancake restaurants, who want to contribute on a smaller scale. Together they form a market of which we expect to generate more income from in the coming years. [...] Hence, we have adopted a very proactive strategy in order to increase corporate fundraising. [...] And we notice that UNICEF is a strong brand that companies want to be associated with, as it contributes to a positive image. We have to really be wary for that whole greenwashing idea. That we are not just used by companies for their benefit, but that we also benefit enough from it (interview 13, 25 November 2020).

Besides UNICEF receiving funding from ING and Philips other companies mentioned by organisations to be sources of income include: Randstad, ASN, Microsoft, Albert Heijn, Booking.com, H&M, Coca Cola, and TUI, among others. Apart from providing income, companies are also increasingly finding their way to the organisations expressing their willingness to become more involved. This is not a surprise, as the Dutch government launched the 'Aid and Trade' agenda in 2003, aimed to include economic growth in the development agenda of traditional donors and encourage the private sector to become an active partner in development through different kinds of government incentives (van Ewijk et al., 2017). Nevertheless, it seems that not all organisations are eager to actively collaborate with corporate actors. For example, ActionAid reported to have chosen not to turn to companies for income as they "want to be

able to remain critical" (interview 9, 23 November 2020). Noteworthy is that this organisation is also one of the few organisations that did not experience a decline in governmental support over the past years, instead their governmental contribution doubled. Moreover, there are several organisations, that mentioned that although they would prefer to increase their focus on corporate fundraising, again it is a lack of capacity that hinders them to do so. Despite these exceptions, a general trend of more corporate involvement in development fundraising seems evident from the results. The next section explains how businesses are becoming more involved in the development sector, as well as how organisations are nudged towards operating more business-like in order to attract funding.

4.1.2. Blurring Lines: Doing Good And Doing Business

Recent developments such as cuts in governmental funding, government incentives for development and economic growth to operate hand-in-hand, the business sector becoming more aware of social and environmental challenges, and development organisations wanting to attract more corporate investments, have caused doing business and doing good to become increasingly intertwined. This section elaborates on how Dutch development organisations have become more engaged in the corporate sector, and vice versa.

How development organisations have become more business-like
Insights from interviews and financial reports show that development organisations have increasingly engaged in business-like practices over the past years. Oxfam, for example, generates 4.6 million euro from selling goods and services. There are several development organisations that also operate a webshop where goods like bags, jewelry, soap, food and drinks. Some organisations even have developed their own branded merchandize. On the website of Habitat visitors are encouraged to buy a WakaWaka light or book a hotel stay through Booking.com as they receive part of these proceeds. This way they try to encourage people to engage in market-related activities to generate income.

Besides generating income through the sales of products and goods, development organisations also plan, organise and host events or trips. Through ticket sales they raise funds for their cause. War Child, for example, is known for their large events in which they collaborate with celebrities, referred to as their ambassadors. They organised concerts from Martin Garrix and Marco Borsato, a ballet show by Michaela de Prins, and even an exclusive 2-star Michelin dinner on Ibiza. Each event was good for generating more than 225.000 euros, thus being a major source of income. Moreover, several organisations organise trips to raise funds. For Habitat it is even their main business model. They organise building trips in which teams of people volunteer to build a house for those in need in a developing country.

A different example of how organisations have become more business minded is that they are increasingly looking at selling their expertise. For example, Akky de Kort, technical advisor at Hivos, explained that through Hivos she is deployed as a consultant for the Beyond Beans foundation, specifically to share her knowledge on child labour (interview 18 November, 2020). Another example of selling expertise is that of War Child. Their strategy involves the creation of a well-established research and development department, aimed at developing successful, effective interventions that are then transferred to other development organisations not only to maximize impact but also to generate income.

Selling interventions, goods and services or organising events or trips are not the only way INGOs are adopting business practices. Several organisations attract donors through child sponsorships or project adoption, making it possible to and attach your (business)name to a house that is being built or to create a fund named after yourself or a loved one. These ways of attracting donors through the commodification of development subjects shows how organisations engage in forms of capitalism.

Another sign of how INGOs are increasingly engaging in corporate practices is that many organisations have a marketing department. These departments aim to build a strong brand around the charity. By offering different forms of exclusiveness, they aim to make it more desirable for people to become donors. Using marketing principles, organisations have mentioned to adapt their campaigning strategy based on different target groups. This way organisations aim to attract many donors and respond to their desires. As a participant illustrates: "We have a department that chooses a range of projects from countries of intervention that are well suited for the Dutch donor market." (interview 2, 17 November 2020).

Other organisations even a take step further into the corporate direction, by take on the role of strategic financier, impact investor, or fund manager. Hivos, for example, has invested in biogas installations in East Africa which compensate CO_2 emissions. Savings in CO_2 emission generate credits which can be bought by customers who emitted too much CO_2 somewhere else. By creating this marketplace for buying and selling emission credits, Hivos has moved away from the traditional role of a development organisation. It has become clear that this trend of organisations engaging in business-related practices is carried more broadly in de Dutch development sector. This has resulted in a sector in which lines between traditional charity and doing business are increasingly blurred. Where traditionally INGOs held most power in choosing what projects deserve funding, power is now also given to the market, which dictates what sells, and to the consumer, who decides what they want to spend their money on. This shift of power becomes even more apparent when examining how companies have increasingly engaged in development, as will be explained now.

How companies have become more involved in development
Involvement from businesses in the development sector goes far beyond monetary donations. In line with a global trend, companies are eager to offer their time, knowledge, and labour to development organisations. With their network and expertise these businesses seek to contribute to the solution of societal issues. As a participant explains: "In the fundraising landscape we notice that companies want to give in other ways. Where they would first say: "we want to donate a sum of money and the organisation can decide what they want to do with it, they now prefer to collaborate and undertake something together." (interview 13, 25 November 2020). Besides donations, organisations have reported to receive support in the form of a marketing agency donating time to set up campaigns, a lawyer willing to spend a certain amount of hours on relevant cases, or a sales team from another company offering to help out for an afternoon. As a result "the traditional model of donor-grantee is slowly disappearing" (ICCO Cooperation Annual Report 2015, p.10): Through the contribution of knowledge and experience, donors have become important stakeholders in development programs. In collaboration projects are developed and monitored. An example of such a collaborative strategic partnership is that of UNICEF and Philips, who have created programs together in which Philips contributes by providing medical equipment and light set-ups, being their expertise.

Not only knowledge and time is donated by the corporate sector, several organisations explained that they deploy experts from partner companies to the field. VSO, for example, works together with Randstad and Achmea, who send their professionals to the countries of intervention. In these corporate volunteering programs employees focus on a special task or assignment in which they can "share their expertise in business, marketing, finance, risk management, HR and communication." (VSO Yearly Report 2019-2020, p.42). These types of involvement from the corporate sector do not only have financial but also strategic objectives, as they often contribute to the agenda of corporates. Moreover, they give private actors a prominent role in development, thus causing a shift in power in which power is especially gravitated towards those with money. The next section will elaborate further on this.

4.1.3. Philanthrocapitalism Comes With Power

The increased dependency between philanthropy and business has changed the development sector. Philanthrocapitalism has consequences for the distribution of power as an increased focus is put on the donor. This section aims to elaborate how and to what extent philanthrocapitalism allows donors to exercise power in development projects.

Direct Donor Involvement? Oh No!
When addressing donor's involvement in interviews, most participants mentioned that donors certainly do not have a direct say in how their money is spent. Organisations stressed the fact that they are experts in their area of operation and are thus most qualified to decide where the money goes, not the donor. Although many organisations claim that donors receive little to no say in projects directly, it nonetheless becomes evident that donors exercise power in several indirect ways.

Donors Choose A Project: High Pay, More Say
Depending on the development organisation, donors have different options in choosing how to spend their money. Some organisations offer different packages (e.g. education or sanitation) one can donate, or they offer a range of projects donors can choose from. A commonality among organisations is that the more money is donated, the bigger the say the donor has. Nevertheless, each organisation seems to have a different threshold that determines starting from which amounts donors can have a larger say in where their money goes to. A participant explains how this works:

> If they give a very large amount of money, in this case we are talking about a minimum of 150 thousand euros, then they can choose a country, a project, or a theme. [...] And sometimes you have corporate donors that might do this, who are specialized in a specific theme, like growing seeds or the Middle East for example, and then together you look for a suitable project (interview 13, 25 November 2020).

So the general finding seems to be that the more money is donated, the more donors can earmark their donation and provide input to where their money goes. In other words, money buys power. Moreover, this position of power allows powerful private individuals to dictate the dominant discourse. Their knowledge lies at the foundation of the conditions they set on what and how they want to fund.

Setting Out Calls For Proposals: Dictating Goals

Besides donors approaching development organisations directly, there are also private donors, like foundations, that require NGOs to apply for funding instead. To qualify for funding it is usually the case that foundations set out calls for proposals to which organisations can respond with their project plans. Depending on the foundation and their objectives, the call includes several sets of rules or guidelines that a proposal must adhere. For example, there are some donors that decide to limit their funding to certain countries, areas or themes that they want to fund. The donor then decides which proposal they find most promising and suits their wishes best. As mentioned before, since the competition for funding has increased, organisations are more dependent on foundations to receive donations. As a result, organisations have explained to be, to varying degrees, willing to cater to the donor's wishes. Participants have mentioned to "write towards the donor", as it is only possible to develop projects if money is available: "I mean, if nobody wants to fund education, then there will be no more educational projects." (interview 17, 30 November 2020). Additionally, when asking a participant how much influence donors have in what they fund, she shares:

> There are certain donors that let you decide yourself what you want to do. But we also have a donor, for example, especially interested in Ethiopia. That donor only does hardware, meaning building schools and sanitary buildings, and those kind of things. Then we can say: "well, we don't normally do that", but then you end up having nothing, right? So it can be seen as a kind of negotiation in which you try to find out what they want and see if you can match it with what you have to offer (interview 14, 25 November 2020).

From these conversations, it becomes clear that donors have a large influence in what is being funded in development. As donors examine and approve development proposals, they hold considerable power over development in the form of authority, or having a say in what happens.

Sharing Knowledge in Strategic Partnerships

As mentioned before, companies are becoming increasingly involved in the development sector, resulting in strategic partnerships between development organisations and the corporate sectors. This active involvement has lead to an increase in sharing knowledge between donor, organisation and local partners. An example was provided by a participant that a donor, active in the field of water management, was connected to a program officer in the country of intervention to exchange knowledge. Likewise, Oxfam invited six Dutch entrepreneurs to travel and meet Ugandan colleagues to "inspire and learn from each other, and work together to tackle local business challenges." This way they "help companies discover opportunities to increase their positive social and sustainable impact by adapting business processes." (Oxfam Annual Report 2019-2020, p. 44). Being invited in partnerships to share their knowledge, donors have become active participants and powerful stakeholders in development projects.

VIPS: Very Important Philanthrocapitalists

Attempting to attract and maintain major donors, organisations facilitate different forms involvement that offer a sense of exclusivity. The larger the donations made, the more 'exclusive treatment' a donor can expect. Almost all development organisations have a business or friends network, some even have a

bronze, silver, or golden membership, ranking the most important donors. Varying per organization and donation sum, donors receive more frequent updates on projects. A participant refers to this form of engagement as: "providing a form of exclusivity and more personalized connection to the field. This way we involve them in what we have done with their money." (interview 13, 25 November 2020). They are either informed in the form of presentations or newsletters, or are invited for special events. Events can range from networking events, dinners, or even donor trips to the project countries. A participant explains how their organisation takes donors to their projects:

> We have a donor that provides funds for building schools that visits the field site every year. The donor then asks critical questions. [...] I find that the nicest way to work with donors. To take someone with you to the field. You can directly show what their money is spent on. And then the donor can provide direct feedback by saying: "Well, this is really good from what you have done, but you should work more on this". [...] Then we can submit another proposal to that donor to improve certain aspects (interview 14, 25 November 2020).

By allowing donors to provide input on projects during field visits and inviting them to special events, organisation aims to attract new donors and build a good relationship with their existing donors. Nevertheless, as can be said from the above mentioned example, this type of engagement allows donors to exercise considerable power in development, which can lead to several implications, which will be discussed now.

4.1.4. Implications of Philanthrocapitalism's Power Shift

As argued in the previous sections, philanthrocapitalism has led to a gravitation of power in the hands of major and corporate donors within the development sector. In practice this means that a small group of wealthy individuals can exercise power over development processes. Evidently this shift in power comes with certain implications.

First, despite arguing that increased involvement from the corporate sector in development means that there is a more broadly carried awareness among companies regarding social and environmental challenges, philanthrocapitalism can still pose certain treats. As major donors hold power over where their money goes to, it is found that 'popular' or highly exposed project often receive most funding. This, in its turn, potentially risks of leaving other important projects that operate under the radar or behind the scenes without funding. Additionally, development organisations find that corporates express most interest in projects that include highly innovative or technical solutions. As development issues are often highly political, there remains a risk that adopting certain business-minded strategies may lead to de-politicizing certain issues.

Another issue when relying too much on major and corporate donors to fund development is that of accountability. Whereas governmental donors are held accountable through different institutions and democratic election, holding private donors accountable remain an issue. As a participant stated: "Giving money remains a voluntary act. So you declare that you are going to do it, but you can always quit." (interview 12, 24 November 2020).

Lastly, philanthrocapitalism has created a larger dependence on the functioning of the market. Not only because development organisations are dependent on receive funding from corporate actors who gain their money through the rule of the market, but also because, as mentioned before, many organisations themselves have engaged more in market activities. This means that development organisations are now much more vulnerable to market failures and economic crises pose a more serious threat. Moreover, the consumer now decides where their money goes to. This has become especially apparent during the current COVID-19 crisis. In the next section I will explain how COVID-19 has impacted philanthrocapitalism in the Dutch development sector.

4.1.5. Impact of COVID-19 on Philanthrocapitalism

During the COVID-19 crisis, certain development projects were put on hold, others were cancelled, and new aid programs were started. As a result, not only did the development sector had to deal with a lot of changes in funding, the the crisis also had a large impact on the sector in general. In this subchapter I elaborate how the COVID-19 crisis affects philanthrocapitalism and how it reveals and shapes existing power structures between donors and Dutch NGO and the role of the market.

Those Relying Most On Markets Are Most At Risk
When considering direct impacts of COVID-19 and funding for development projects, several organisations stated they did not experience any big changes in funding. They argue that some donors feel a bigger urge to give money in times of international crises, while others suffer economic loss and thus stop donating. According to a participant who works in the fundraising departments, big partnerships were mostly maintained, but COVID-19 did have a negative impact on recruiting potential new funding partners, as those partnerships are now put on hold.

Nevertheless, there were also organisations who mentioned that they did experience big changes in funding. The organisations that reported to experience a large loss in their income are especially those that depend on market principles for their funding. As a result of the travel ban all volunteer trips, knowledge exchange trips, building trips, and donor trips were cancelled. Moreover, several organisations did no longer generate income through sales from their stores, or organising festivals or large events. Since some organisations have adopted a business model that is strongly dependent on these trips, sales and activities to generate income, they suffered from a decrease in funding from private donors. This is also the case for an INGO that organised building trips for donors, who saw their total income drop incredibly. When asking a participant whether this financial loss might spark debate regarding the dependency on organising trips for income, the following was said:

> Well, the COVID-19 crisis did show the vulnerability of our current business model. Maybe in the future we will organise less trips and will rely more on private donors willing to donate without going on a trip, however it will all depend on how long this crisis will last and the willingness of donors to change (interview 6, 19 November 2020).

It seems the COVID-19 crisis has led to an increased awareness among several organisation that their dependency on market principles have presented strong weaknesses in times like these. Nevertheless, as is illustrated in the example provided above, donors still execute power, as they decide whether or not they are willing to donate their money without receiving a trip, product or service in return. This confirms the idea that donors hold considerable power in where their money goes. The power that donors hold in development has become even more clear during the COVID-19 crisis, as the rapidly changing circumstances required increased involvement of donors and upward accountability.

Dependent on Donors

As most development projects are detailed budgeted with set guidelines, COVID-19 caused major redirection and repurposing of project finances in order to respond to the changing circumstances and provide relief. In many cases local NGOs had to consult with their international counterparts, who, in its turn, had to contact donors to ask permission for using their money in other ways. Especially those donors who gave strictly earmarked donations had to be asked for permission as the agreed upon plan could no longer be executed. In some cases this process would take months, and thus hinder a swift COVID-19 response. Although, in general, donors were very accepting of the proposed changes, having to consult donors during the crisis confirms once more their powerful position in the sector. They hold authority to accept proposed changes or not and in some cases can even exercise power through defining conditions for newly set-out projects. Again, there is a risk for donors to choose popular (in this case COVID-19 related) projects to receive most money, while being blindsided towards other important projects.

The COVID-19 crisis has not only shed light on the powerful role of donors and the strong upward accountability mechanisms in development, it has also created opportunities for improvement. There seems to be an increased awareness of how strict funding conditions and strictly earmarked donations can hinder a swift local-led response in times of crisis. Several participants mentioned that in the future their organisations will lobby for more unrestricted funding and less upward accountability towards their donors. One states the following:

> We still have a lesson to learn in flexibility. People in the South are much more used to dealing with all sorts of insecurities and are better in improvising. That is why they succeeded in their COVID-19 response. But the organisations and the donors can still learn from that. It requires us to create a dialogue with our donors and tell them to change. We cannot expect that we always stick to the detailed plannings that we like to make (interview 9, 23 November 2020).

Hence, although there is still a long way to go, evidence points into the direction that the COVID-19 crisis has caused debate and change among some INGOs regarding how the current donor dependency and accountability mechanisms inhibit swift and local-led responses. Nevertheless, the question remains what the negotiating power is of the INGOs, especially in times where they might rely even more on private donors for sufficient funding.

A Looming Economic Crisis: Continuing Need For Private Donations

Although results show that most INGOs are not experiencing major changes in funding so far as a result of COVID-19, from the interviews it became apparent that almost all organisations stated to be worried

regarding their funding in the future. Participants believed COVID-19 to cause another global economic crisis, and thus leading to a potential deficit in funding for development. They mentioned that experience from previous economic recessions show that in times of crises, countries turn more inward and lose focus on issues like international development. Besides losing income from private donors, who prioritise their own financial wellbeing, an economic crisis will have large consequences for governmental funding likewise. Since the budget for governmental contribution to international development is based on the Dutch national GDP, any potential depression as a result of COVID-19 results in fewer funding. Such funding gaps might require Dutch NGOs to become even more dependent on large private donations to secure their income. A participant illustrates:

> The political debate in the Netherlands acknowledges that the urgency for development aid is more needed than ever, nonetheless this is not reflected in the budget. It remains a challenge to find sufficient funding for development in these times, especially because it seems to be more focussed inward. In the Netherlands, for example, a lot of people will lose their job and poverty might also increase here. [...] Our organisation has long been able to run on institutional funding from Western governments. But now we are forced to broaden our funding efforts. So since COVID-19 we have adopted a very active strategy on raising funds from companies. (interview 13, 25 November 2020).

Potentially becoming even more dependent on private donors for sufficient income for Dutch NGOs, could continue to feed the already powerful position that donors hold in the current development sector. As has been illustrated before, through giving money, donors are able to execute power through setting the agenda, dictating conditions, requiring upward accountability, and hold authority over certain decisions. In other words, although it seems that COVID-19 has made Dutch NGOs more aware of potential downsides of relying on private donations and market principles, long term economic effects of COVID-19 could mean that Dutch NGOs engage more with philanthrocapitalism in the future, potentially shifting even more power to the donors. Nonetheless, this stands in stark contrast with the objectives of the localization of aid, which aims to shift power to local actors, as will be explained in the next subchapter.

4.2. Localization

In this chapter I will expand on how the Dutch development sector has engaged with the trend of localization. I will explain what efforts have been made so far by organisations to increase the localization of development, in terms of transfer of labour, adapting strategy, local knowledge inclusion, and funding. Moreover, it will highlight which challenges still remain. Lastly, the impact of the COVID-19 crisis on localization and the distribution of power in the Dutch development sector is assessed.

4.2.1. Localization: Old Practice, New Focus

The idea of putting local partners or organisations in the driver's seat is not new in development. Several participants explained that compared to humanitarian aid, localization has been much more common practice in international development: "For 60 or 70 years the communities are at the core of development. The goal has always been to connect with the local context and encourage local ownership. [...] So Localization is a new label now, but the practice is not." (interview 18, 30 November 2020).

Localization has gained even more attention since the establishment of the Grand Bargain at the World Humanitarian Summit in 2016. Due to the widespread call for local leadership, a more critical public towards development aid, and a challenging funding climate, several Dutch organisation have prioritized localization on the agenda since. According to Pascal Richard, advisor on localization and local leadership at Cordaid, localization led to a changing role of international organisations, as their practices decentralized in recent years. He explains that as these developments proved to be financially efficient, it created a double incentive for Dutch NGOs to reshape the way they work (interview 21, 3 December 2020). The next section will elaborate on how efforts to increase local engagement have changed the Dutch development sector and contributed to a tentative shift in power towards local development actors.

4.2.2. Transfer Of Labour: Decentralizing And Downsizing

Over the last years, decentralization in the development sector has shifted labour and responsibilities to the global South. From the interviews it became apparent that most Dutch development organisations implement their projects through country offices and/or local partner organisations. Depending on the organisation, positions in these offices are either filled by local or international staff. In general, most organisations reported that the majority of these employees are from the country itself. Some organisations even claimed that all positions were filled by local staf.

Although development organisation are increasingly hiring local staff and outsourcing tasks, challenges still remain. The general impression is that most higher positions are still held by international staff. For example, regional managers, country directors, consultants or interim employees are often still Dutch or people from the West. This is confirmed by a participant, who works as international staff at a country office. She explains that national staff fills often those positions "with less power, less control, and thus also less say". She believes that this creates a hierarchy in which local people feel less inclined to share their view on matters:

you notice that national staff are less likely to speak up compared to international staff. It seems they are less comfortable sharing their thoughts. Maybe that is because they, as "national staff", are part of a structure that forms believes such as: I am national staff, I will always work in Egypt under the supervision of an international staff, I don't feel comfortable to tell these internationals how I feel and think about certain issues (interview 4, 18 November 2020).

Another participant agrees that there is a certain hierarchy in place that refrains local people from speaking up:

> In our evaluation reports there is always a question like: "how do you see the role of [Name Organisation] in this project?". And then it always says something along the lines of: "Oh, we're so grateful and [Name Organisation] is fantastic.". Maybe they truly believe that or maybe they just say that because they want to keep us satisfied. As a result, you never know if they are truly honest. Because in the end they just want to be on good terms with us because we give them the money they need to execute their projects and they depend on us to keep their jobs. And in some cases we are also the only funder they have (interview 1, 16 November 2020).

This shows that although program implementation and management increasingly takes place in the countries itself, it is not self-evident that a shift in labour automatically increases local ownership, due to strong existing hierarchies.

As a result of this shift in labour, several development organizations have heavily downsized their international office based in the Netherlands. Hivos, for example, is currently in a reorganisation in which half their positions at the global office are cut. In line with this effort, they will transform their office in The Hague, formerly known as the global office, into a the Netherlands hub, just like they have an East Africa and Latin America hub. According to a participant: "this way [referring to the reorganisation] we aim to make it more equal (interview 3, 18 November 2020).

Besides the general trend of eliminating international jobs in the development sector and hiring local staff instead, it is also mentioned by several participants that sending volunteers abroad to engage in projects has become a much less common practice in the last few years. Whereas Dutch NGOs would traditionally deploy many international volunteers, they now working with volunteers from the communities itself instead. Organisations are increasingly collaborating with already existing youth or community groups and contribute to further increasing their capacity. A participant argues: "There is a lot of knowledge already there. In the end you only want to send people if the knowledge is not locally present. It should not take away the opportunity from local people." (interview 17, 30 November 2020). Moreover, a participant argues that when woking with local volunteers and through word of mouth "you can have a bigger impact than sending foreigners with Oxfam shirts into these communities". Additionally, it is mentioned that it is important to establish a long-term relationship based on mutual trust with communities and therefore "working with local people is crucial." (interview 7, 19 November 2020).

Although most organisations seem well aware of the advantages of working more with local partners, they are also mindful of potential pitfalls. When asking a participant regarding the challenges of shifting

responsibilities to the global South, she answers that NGOs have to be careful to go too fast with localization. She claims:

> If you give organisations too much responsibility for important matters that they are not prepared for both mentally and in terms of capacity. You cannot say: well you have only implemented projects but now you will you are also responsible of monitoring and evaluation and all the financial matters (interview 15, 26 November 2020).

She continues to explain that she experienced firsthand that organisations are sometimes skeptical themselves of carrying more responsibility: "If you screw it up once, you will not receive any money anymore" (interview 15, 26 November 2020).

Another challenge related to pursuing more localization, is related to the context in which development is embedded. Although several development workers claim that it has been easier to establish a more equal relationship with local partners, as they have become more vocal in formulating their desires and terms over the last years, it is important to realise how underlying structural issues inhibit true equality. Interviews pointed out that racism and neocolonialism are still deeply embedded in the existing power structures, forming a barrier for local partners to voice their needs. As a participant explains:

> When I raise my voice, people are more likely to listen to me than to my local colleague. [...] Because I am white, I get away with saying a lot of things, whereas my female Congolese colleague, who is just as old as me, cannot say the same things as me. [...] You cannot just break this pattern. It is culturally embedded. There is still much room for improvement by acknowledging existing power structures (interview 15, 26 November 2020).

Besides the positive development of local partners becoming more vocal and the decentralization of labour and responsibilities, the process of truly increasing local ownership and capacity is complex and subject to several pitfalls. Since several development organisations are aware of this, they have developed strategic objectives focusing on further pursuit of localization, as will be explained below.

4.2.3. Shifting Strategy: Putting Local Knowledge At The Core

As mentioned by several participants, localization can only truly get off the ground if an organisation is willing to change its practices and ways of working. This means that organisations must put localization not only on their, but also their stakeholders' agenda. As a participant puts it: "organisations must undergo a structural cultural change". This is due to the fact that we have never really stopped appropriating their development processes: "Even though the importance of local ownership is broadly acknowledged, we tend to "give" this local ownership to the marginalized, underrepresented people we chose, wrapped in our own values and conditions regarding the terms of this ownership." (Hivos Strategic Compass 2021-2024, p.8). Hence, aiming for more localization requires organisations to actively reevaluate their role and strategy.

Results from the interviews and the analysis of strategic reports show how many Dutch development organisations have put localization even more to the foreground in the last few years. From the interviews it became apparent that organisations have adopted all sorts of instruments to ensure inclusion of local knowledge: they conduct baseline surveys, interviews, or focus groups with community leaders and members, perform needs assessments, embark on field visits or scoping missions, choose to work with trusted gatekeepers, or make use of innovative technologies such as community perception trackers. Because local organisations know the context and their communities best, several participants mentioned that their organisation lets local partners formulate the problem themselves. Accordingly, development plans are created in collaborative partnerships, based on the input they receive from on the ground. Such partnerships often require the organisation to act as a broker between donor and their local counterpart. Through (sub-)contracts and accountability mechanisms organisations ensure certain standards are met. Nevertheless, in this 'broker position' organisations can still exert influence and power over their local partners in several different ways.

As the organisation is in charge of providing funding, the organisation chooses in which countries they prefer to operate and what themes or target groups they want to focus on. Moreover, in the process of choosing partners to work with, organisations can formulate the frameworks and conditions that local partner organisations have to comply with. Organisations explain that there are certain procedures in place when it comes to selecting and contracting partner organisations. An organisation can put out a call for proposals, in which they can already formulate the focus of the intended project and certain guidelines proposals have to adhere to. Partners can respond to these calls and are then exposed to an extensive and in-depth process of assessment. It is then up to the organisation to choose which local partners they want to work with, usually being those who are most likely to contribute to the organisations' mission. As a result, in general larger NGOs are more favoured to collaborate with. Those organisations have the right infrastructure, experience and track record to handle big sums of money and comply with donor requirements. Consequently smaller, less established local organisations can be overlooked or not approached by development organisations. Not only does this hinder further localization, it excludes these local actors from engaging in development and sharing their knowledge. Despite aiming to shift power structures, it seems that Dutch NGOs still exercise power through choosing who they want to work with.

Additionally, INGOs exercise power as they play an important role in lobby and advocacy. Development organisations decide on which themes they actively raise awareness, how they frame it, and which local voices they echo. In this regard, a participant states the following:

> In the end, the organisation decides whether to accept proposals coming from local partners or not. It is also up to us how we frame certain issues and whether we put in effort to convince certain actors or not. We can decide who we want to listen to. In that sense, we hold most power. It is the task of the organisation to not just run off with our own ideas, but to truly base those on the needs of the people we work for (interview 4, 18 November 2020).

This shows that although local partners play an important role in raising their voice in order for local knowledge to be included in the development debate, INGOs eventually decide which voices are echoed

and which are not. This in its turn has an impact on which projects are brought under the attention of donors and are more likely to receive more funding.

4.2.4. Finding Funding For Local Organisations

The way funding is provided to local partners is seen as an important building block for localization. As power comes with money, localization efforts aim to provide more access to direct and unearmarked funding for local organisations. Although, several participants have stated that in recent years donors have increased their emphasis on localization, for example by requiring organisations to include collaborations with a certain amount of local partners or channeling a certain percentage of funding directly to local organisations in their project proposal, donors remain reluctant to directly engage with local organisations. Institutional donors, for example, increasingly have to justify their actions to the critical public. Likewise, private donors are afraid of engaging in practices that might harm their reputation. Moreover, for the same reasons, these donors are reluctant to provide unrestricted donations to local organisations. They still prefer an intermediate development organisation that can ensure quality in implementation and reporting. In line with this, the interviews with the local development workers revealed that there are certain barriers in place for local organisations to directly access international funds. In some countries or contexts local NGOs are only eligible for funding if they are registered in the same country as the donor or if they are in the possession of certain certificates. As a result, it is very complicated or even impossible for local organisations to directly receive international donations, especially for smaller organisations as they often lack capacity to participate in calls for international fundraising.

Nevertheless, there are also some exceptions. A participant explained that the Bill and Melinda Gates Foundation has recently changed their funding approach. After five or six years of funding Oxfam for a project focussing on strengthening the networks of local organisations, they started wondering why they were giving their money to Oxfam rather than directly to the local network. Following, they started to provide direct donations to that network. And because of the good relationship between the local network and Oxfam, the network choses to hire Oxfam in those situations they require assistance or see added value. This is an example of an effort that has tried to reverse roles. Although this initiative potentially allows for more local agency and capacity, it nevertheless poses questions regarding increased dependency on large private donors, which in its turn could hinder localization.

Moreover, it is said that not all local NGOs qualify for international funding, as it is often argued that "a lack of capacity" forms an obstacle to shift more power to local organisations and hinders meeting the conditions set by the donors. To be eligible for large donations, organisations are often required to have well established financial systems, an experienced financial manager, and an extensive track record of previous transactions. Although these requirements might not be an issue for larger local organisations, in practice smaller local organisations often simply do not make the cut. As a result, several organisations have mentioned to engage in capacity building or networking activities for local organisation, increasing their chances to be eligible for other forms of (direct) funding. A participant explains how they receive more questions from their local partner NGOs concerning their "own sustainability": "They are eager to learn how they can improve their proposal writing skills and how they can prove their impact to donors."

(interview 10, 23 November 2020). As such, more organisations have started to provide trainings for their partners on proposal wiring and financial management. Moreover, several organisations have started with providing funds to local NGOs to gain experience in handling sums of money and contributing to their 'track record'. This experience can then be used by local NGOs to write proposals and qualify for more international funding. A local development worker illustrates how Oxfam Iraq has contributed to creating more local capacity. He explains that Oxfam started a project in 2018 to build the capacity of 15 local organisations:

> This project is about local leadership. The main idea of the project is that we build their capacity according to the needs they have by providing them with trainings, in areas such as HR or finance. We also encourage them to build policies and monitoring and evaluation tools. Generally the policies they have are very weak, so if they approach international organisations they receive a lot of comments. So we provide them with small grants to develop themselves, institutionally and organizationally and to do pilot projects (Interview 22, 3 December 2020).

By increasing their capacity, it is hoped that these local organisations gain more access to international funds. Another local development worker mentions that they help local organisations with gaining access by actively introducing them to other INGOs. This way they encourage these local partners to increase and diversify their income, which is crucial for further local empowerment.

Due to the deficit in funding for international development and a lack of competition among donors, local organisations remain largely bound to the requirements that are set by the international donors. Not only does this feed a form of 'dependency syndrome', meaning local organisations become heavily dependent on international organisations to exist and lose inclination to improve these circumstances, it also results in a high upward accountability and little room for local actors to be critical towards donor's conditions. They remain reluctant to express dissatisfaction, as they risk losing their funding. Consequently, many local organisations still remain heavily dependent on intermediary INGOs to receive funding. As a result, local organisations are restrained by the project proposals that these INGOs have draft and submitted to their donors. Despite having engaged in activities of extensive participation, there is no guarantee that this local input is reflected in these project proposals. In other words, INGOs have the final say of what they include in their project plans and what not, and thus also partially defining the activities of their local counterparts. This means that how much funding local partners receive and under which conditions, is largely dependent on the international organisations. Despite recent efforts for the localization of finance, some participants have mentioned that local partners only receive a small slice of funding compared to the international organisations. Most money that local partners receive is restricted or earmarked, meaning that there is little flexibility for these partners to repurpose money. When asking a participant about the un-earmarked donations they receive and whether these un-earmarked donations are also redirected to local partner, the following is said:

> We only receive a small amount of un-earmarked donations, meaning that it is mainly used for ourselves to have flexibility within the organisation. For example if we have a big project that ends in november and the next project starts in january, you want to be able to pay your staff in the transition period. Those expenses are hard to justify if you receive earmarked donations,

hence those un-earmarked donations are important for us. If we had many more of those un-earmarked donations we would maybe be able to pass those donations on to our local partners, however I am not sure whether that would be favourable. In most cases I am sure it will go fine, however you might also have more cases of misconduct (interview 1, 16 November 2020).

Another participant agrees and adds to this debate: "Currently there is a large lobby to give more direct funding to local organisations. However, this also triggers a debate regarding corruption. We have to be careful with donors' money and avoid giving it to corrupt organisations." (interview 15, 16 November 2020). Hence, although providing unrestricted donations to local NGOs is seen as an important foundation for more localization, results show that this is challenging to realise as not only organisations, but also donors seem reluctant to provide this type of donations. As the ownership of money comes with power, the current financial system, in which donors have a large say over how their money is spent, could hinder further localization. Nevertheless, the current COVID-19 crisis could be a catalyst for reform. Due to the changing circumstances and funding, donors, INGOs, and local development actors, were forced to adapt their ways of working, as will be described in the next section.

4.2.5. Impact Of COVID-19 On Localization

Where efforts of localization have caused shifts in the distribution of power among international and national actors in the past years, the global outbreak of COVID-19 can potentially lead to a much swifter and less governed power redistribution in development. Participants reported to experience shifts in power as a result of travel restrictions and having to work remote, increased use of technology, and changing funding mechanism. These three major changes, affecting localization, will be discussed now.

Travel Restrictions And Working Remotely
One of the most abrupt and obvious consequences of the COVID-19 pandemic is related to the social gathering and travel restrictions. As mentioned before, most organisations have already minimized international staff working in the project countries. Those who do work abroad often chose to stay, resulting in the fact that only a few employees had to be repatriated. In those cases in which expat staff left the office, it remains ambiguous what the impact is on the project or the development sector in general. Hence, it can not yet be concluded that the travel ban did not have any large effects on the progress of development projects due to the repatriation of international staff. Nonetheless, the travel ban did have a large impact on visits from international aid workers. Whereas all participants said to regularly visit project sites, none of them have been able to travel during COVID-19, with the rare exception for a few cases of emergency. As such, it was no longer possible to travel for meetings with local partners and government, to monitor projects, and to send international experts or volunteers. However, when asking participants whether this had a large impact on the quality of their partnerships or the course of the projects, most believed it did not. As a participant says:

I think that it [referring to COVID] has shown that we can still function with less international conferences and less traveling. We don't need it as much as we think. If we are not present, the project will still continue. If I can't visit Nigeria, the project won't fall apart. That is just simply not the case. So that means that you can see how small my added value is in a project. And I

believe that COVID-19 has made that even more clear for us. We have always had a sort of ego-complex. We believe that a project will only succeed if Dutch people are present. COVID-19 has shown this is not true. These insights can contribute to further change, further local ownership (interview 18, 30 November 2020).

Most organisations agree that travel restrictions can potentially accelerate localization processes. In several cases, organisations mentioned how movement restrictions forced them to become more dependent on their local partners. Where normally NGOs would visit field sites both announced and unannounced to check on projects, they now rely on information from their local partners instead. Additionally, in some cases, the issue of not being able to send international volunteers was solved by recruiting national staff and volunteers. As a result debate has been sparked in several NGOs regarding whether or not they can quit with deploying international staff in the future. As such, the increased dependency on local partners for the implementation of projects and supply of information and a decrease of international presence in project countries could lead to positive effects on localization. Nevertheless, it should also be taken into account that this increased dependency can have reversed effects. For example, two organisations stated that local partners felt that they were overburdened by all the extra tasks or requests they received from their international counterparts. here is a risk that INGOs put too much pressure on local organisations, so that it becomes no longer an equal partnerships, but it functions more as a hierarchy. As a participant illustrates with an example:

> "There are certain partners who have started to complain. They say: "now that you can't visit us, you have started to demand more things from us". We tell them to do this webinar, and that training, and tell them that advocacy is important, and so is risk management, etc. So last week a partner told me: "well, do you really think we have nothing to do over here?" (interview 14, 25 November 2020).

Besides the issue of overburdening local partners, organisations also report to be unsure whether the positive effects as a result of movement restrictions will remain once the travel ban is lifted. Although so far most organisations do not experience any serious negative effects of remote partnerships, participants mention that they still see the added value of being able to travel in the development sector. They argue it helps to understand the work better and form a better connection with local partners, it helps to keep grip on the projects, it inspires and enhances understanding and empathy, and it makes the job more fun. So although COVID-19 has proven that less traveling and remote partnerships could benefit the localization of aid, it remains uncertain whether these positive effects will stand ground in the future.

Technology And Communication
As a consequence of not being able to travel and having to work remotely, all communication between international and local NGOs took place online. Through telephone calls, video meetings, online coaching, or online learning platforms, organisations have developed new ways of using technology to remain in contact and continue their activities in the past year. Although a small number of organisations reported to have less contact with local partners since the beginning of the COVID-19 crisis, most organisations reported to have more contact with local partners than before and be more updated on the status of development projects. Participants reported that a result of COVID-19 there has been an

increased feeling of solidarity, which has connected people. As said: "People are curious to know how others are coping in these times. So it is much easier to set up a quick Teams or Zoom meeting just to check up on how everyone is doing and how projects are progressing" (interview 3, 18 November 2020). As a result, most organisations felt that their relationship was improved as a result of COVID-19. Although the increase in frequency of contact poses questions whether this could lead to increased dependency and thus hinder localization, it also allows increased sharing of local knowledge and ideas.

Related to this, a positive effect of increased online communication is the finding that a lot of development organisations reported that it was easier to dial in local partners during decision making processes taking place in the Netherlands. This allowed local partners to share their knowledge, have a larger say, and be consulted more often during meetings, which they were not involved in previously. A participant states the following:

> "In my opinion COVID-19 has been an 'equalizer' in development. Previously we would have monthly meetings in the Netherlands regarding program related issues, such as procedures or policies. The outcome of those meetings would be communicated to the program countries and maybe it would raise some questions, but the decisions were already made. But sometimes we thought: "Oh, yes, that is actually a good point, we should have taken that into consideration". And then we had the intention to do something about it, but in reality we never did. And part of that reason is that when you have a physical meeting in the Netherlands it is annoying to also have someone join from a screen. But now everything is online and everyone is on a screen, so it is much easier to include someone in our meetings and discussions. So on the one hand we are much better updated on what is happening on the project sites, and on the other hand they really have a much larger influence on what is happening with those programs. When policies or procedures are developed, we immediately consult about their needs. And not only the person who has the lead of a project, as we would before, but now it is also much easier to include people from six, seven or eight layers below. […] This has really allowed us to work more 'bottom-up' instead of 'top-down'." (interview 2, 17 November 2020).

This example is supported by several other organisations, as they agree that since meetings take place online, it has been easier to include local partners in meetings with the ministry or other important stakeholders in development, which was harder to do so before. Hence, it can be concluded that the increased use of technology allows to create a better platform for the inclusion of local knowledge in processes taking place the Netherlands.

Likewise, it also seems that during COVID-19 more knowledge has been shared online in the countries of intervention. The increased use of online platforms have allowed information and trainings to be available for more local partners than before. For example, Dino Argianto, working at Oxfam Indonesia, explains how they set up the online platform 'SEJAJAR' at the start of COVID-19. This platform provides online trainings and webinars accessible to whoever is interested. Whereas prior to COVID-19, their trainings would be attended by 25 participants only, according to Arguinto, now hundreds of people working in the development sector make use of the platform, due to the low information barrier. Furthermore, besides the increased access to information or capacity building opportunities through trainings for local

organisations, organisations have also mentioned how the increased use of technology has made it possible for interventions to become more accessible to larger target groups. Two organisations specialized in education, for example, have heavily invested in providing online classes now that schools are closed. As a result, they are now able to provide education to children who could previously not attend physical classes.

As a result, NGOs mentioned how COVID-19 has created a widely supported realisation that through the use of technology a lot of tasks can be done online and remote. Moreover, there seems to be consensus that the increased use of technology and online communication will continue to last after the pandemic. Nevertheless, participants remain critical about its potential in the long run. They argue that although the increased use of technology can potentially ignite new ways of working and benefit localization, there is a risk that it might lead to more distance between partners, creating a lack of true understanding. Moreover, many participants reported that after half a year of only working online they are starting to miss the personal contact. Poor internet connections and telephone networks currently inhibit the potential for increasing remote partnerships. Moreover, participants have argued that certain activities are not suited to be conducted online, such as monitoring and evaluation processes or trainings related to gender sensitivity for example. Hence, leaving wonder which changes will remain after the COVID-19 crisis and which will be made undone.

Pitfalls Exposed: Finding Other Ways For Funding
As a result of the COVID-19 crisis, a focus on providing rapid relief resulted in less attention and funding for activities contributing to localization, such as local capacity trainings. Those local NGOs with strong international links, who were able to swiftly contribute to a COVID-19 response, received most funding to participate in a COVID-19 response. In practice this means that mainly large and well-established organisations are mostly contributing to a COVID-19 response, leaving little room for smaller organisations to engage. A participant stated that from the COVID-specific humanitarian response fund, only one percent was donated directly to local organisations. The rest went to international, large organisations who were able to be contracted faster and provide a more rapid response.

Besides the observation that small, local organisations were largely left out in the international COVID-19 response, results also show that they suffered most as a result of changes caused by the crisis. Since the beginning of the global COVID-19 pandemic a lot of ongoing projects were either put on hold or aborted, as movement and gathering restrictions inhibited implementation. Since most development funding is project based, several NGOs noticed that it was challenging to attract new forms of funding. This was especially the case for local organisations. INGOs usually pay their local partners in installments, based on the progress of the project. Due to the hampering progress, installments were either not paid or were severely delayed. Although participants mention that larger local organisations were able to sustain themselves despite financial stagnation, smaller organisations often could not. A participant working at Oxfam Indonesia explains: "Our partners are slowly dying. It has been nine months without any new funding, so they could not survive. There was only repurposing of projects, but no new funding, that is why they are dying." (Interview 19, 1 December 2020). Because these organisations mainly work project-based, and thus hire staff depending on the projects they receive, they could not hire new local workers.

Additionally, some organisations had to let go of their staff due to these financial hardships, in practice this often meant that those employees working in the lower hierarchies were the first to lose their job.

Another consequence of the COVID-19 crisis is related to the prior described need to redirect and repurpose development budgets, as a result of the many changes in projects. This process posed considerable challenges as local and international NGOs wanted to provide a COVID-19 response as swiftly as possible, however they were often constrained by bureaucratic processes and donor consultations, which in some cases could even take months. This created a timely process, requiring both local and international organisations to have more frequent contact with donors. Some participants stated that this created a context in which partners experienced more freedom as it allowed them to take the lead in formulating new project proposals. While other participants felt that local partners became more dependent on INGOs and donors as they had to reach out more to their international counterparts and were dependent on their and their donor's verdict. Nevertheless, the fact that the COVID-19 crisis revealed that making financial changes to projects was such a timely process, has also led to some organisations making adaptions in their funding mechanisms. A participant explains how their organisation reevaluated their procedures in order to create more freedom for local partners in the future:

> From the local partners that we work with we received feedback that we are working in a rather complex funding system. In the end we are a big international organisation with extensive compliance policies. So they really noticed: we want to be able to respond now, do something now, and be able to move funding from one project to another, depending on the needs on the ground, and we are actually not really able to do so. So what we did was that we have allocated a few hundreds thousands in our new budget for contingency budgeting. So we enable partners to take money and only report after what it was used for, instead of setting up extensive proposals prior. So we aim to make it possible for local partners to easily tap into that money, for example when there is a second or third COVID-19 wave or for future situations. I believe that in the future changes like these will be made possible not only within Plan, but also other organisations (Interview 8, 20 November 2020).

Although, this example demonstrates that COVID-19 could contribute to the creation of more efficient funding mechanisms between international and local NGOs. It remains uncertain whether private donors will also be more amenable to change the ways in which they fund and are willing to handover a part of their power to local NGOs instead. As described in the previous chapter, the COVID-19 crisis can potentially also lead to situation in which INGOs rely even more on private donors in the future. Dealing with an increased dependency on the contribution of private donors on the one hand, and wanting to shift power to local development actors on the other, creates a potential tension for INGOs. The next subchapter examines the playingfield between philanthrocapitalism and localization, and elaborates on how COVID-19 might influence this interplay.

4.3. Interplay: Philanthrocapitalism x Localization

In the previous chapters, I have discussed two trends in development: philanthrocapitalism and localization of aid. Results show that both of these trends have influenced the Dutch development sector and have caused a shift in power among actors involved. Moreover, it was elaborated upon how the COVID-19 impacts these shifts of power in development. This chapter will examine how these two trends interact: to what extent can these two trends fortify each other and how are these trends potentially conflicting? And what is the role of COVID-19 in this interplay? The last part of this chapter elaborates on how Dutch development organisations deal with the playing field created by these two trends.

4.3.1. Complementing Forces: How Philanthrocapitalism Can Accelerate Localization

At first glance, it seems that philanthrocapitalism and localization stand in stark contrast: Where philanthrocapitalism has caused power to be exercised by large private and corporate donors, localization aims to do the opposite as it shifts power to local actors instead. Moreover, although COVID-19 has provided a push into the direction of more localization, the crisis also sheds light on the risks of engaging in market mechanisms and depending on private donors. Nevertheless, results point in the direction that engaging in such practices and receiving income from private donors could also pose opportunities for localization. In this subchapter I elaborate how certain characteristics of philanthrocapitalism can work in favour of increasing local capacity and empowerment. Three main reasons will be be discussed. First, as private donors can take more risk with their donations compared to institutional donors, it allows for more pioneering, local-lead projects. Second, philanthrocapitalism creates more opportunities for the support of smaller local NGOs. Third, private donors have less strict reporting requirements and work more on the basis of trust, leaving more time and money to be spent on the needs of local communities. In the following sections these reasons will be discussed in more depth.

More Room for Risk
Compared to institutional donors, private donors are not subject to political tensions or changing political agendas. A participant provides an example of how institutional funding is heavily political, as their organisation noticed that when Trump became president, all funding coming from the United States dried up within that same year: "There was not even a message explaining or justifying the change in funding. So you just notice how politics can change everything." (interview 4, 18 November 2020). Besides not being subject to a political agenda, private donors are also not politically held accountable the same way as the Dutch government would be. As a result, this provides openings for a different way of funding:

> The parliament wants to see results. They have many checks and balances, so they can show the impact to the public and gain support to continue their work. However, with localization in mind, I would like to see that donors would set different requirements and leave much more room for development organisation to choose how they want to achieve certain results. However, that would require a completely different way of setting up a financial system. It would have to allow

room for error and mistakes, because that is inherent to a transition towards increased localization (interview 21, 3 December 2020).

When comparing these strict requirements from the government to those of private donors, some argue that private donors offer a funding climate more favourable for localization. Although they also have to justify their acts and spendings to their stakeholders, there seems to be consensus among the participants that private donors can be more flexible in what they funded as they experience less pressure from public accountability. This way they can contribute to a development sector in which there is more room for risk, which is according to participants inherent to the process of localization. Moreover, private donors are more willing to provide non earmarked or unrestricted donations, compared to institutional donors. A participant says that between 80 or 90 percent of the companies give unrestricted donations. Thus, it can be argued that these unrestricted donations as a result of philanthrocapitalism can potentially lead to more local ownership of money.

More Support For Smaller Organisations
Due to their extensive budget and often limited capacity, institutional donors tend to have a preference to only donate large sums for big development projects. As a consequence, they require the organisations that they fund to have the right infrastructure and prior experience to handle such large amounts of money. Additionally, sometimes organisations are even required to either be registered in the Netherlands or possess certain certificates, which can be costly or strenuous processes. In practice, this often results in the fact that mainly large organisations receive institutional funding, leaving out smaller or less established local organisations. This was also the case during the COVID-19 crisis, when mainly large NGOs were favoured by institutional donors to provide a COVID-19 reponse. Private donors, on the other hand, have fewer restrictions that local organisations must adhere to, making funding more accessible for these smaller local organisations. Their willingness to fund grassroot initiatives and being less risk-averse than institutional donors, have led to collaborations between private donors and INGOs in which there is more room for experimenting with new initiatives that focus on putting more powers to the local community. An example of such an initiative is that an organisation, who started working with grant facilities in Uganda and Bangladesh funded by the IKEA Foundation. These grant facilities allow local organisations to receive funding for their submitted project proposals. By acting as a broker and taking some of the administrative burden away from local organisations, the NGO aims to put more agency on the local level. It is explained how the project would likely not be able to exist through institutional donations:

> For me, what I like most about such private donations is that they are not subject to the political climate. [...] Private donations allow much more flexibility in executing your desired programs because you are not dependent on the political agenda. [...] We notice that the reporting culture is becoming much stricter for the Ministry of Foreign Affairs, as they have to justify exactly where all the tax money goes to. Whereas, an IKEA Foundation, for example, dares to take more risk because they do not have to justify in the same ways as the government does. So even if it would go wrong, it is just profits from IKEA, so the accountability is very different (interview 7, 19 November 2020).

Hence, it seems that private donors can take more risk which provides more room for localization as it is not strict guidelines that form the foundation of the relationship between donors and recipients, but instead trust plays an important role.

More Trust, Less Reporting

As the localization of aid comes with putting more ownership in the global South, it is often found that strict reporting requirements or high degrees of upward accountability can hamper further local agency. When it comes to reporting requirements and private donations, results point into the direction that in general, reporting to these donors is experienced to be less restricting compared to the requirements set by institutional donors. Rather than being able to justify every single euro, a participant explains that reporting to major donors is for a big part based on trust. For these donors it is important to get to know the actors involved in the projects. A participant explains:

> It is often the case that if one or two people from a foundation have a good feeling with the cause, they can convince the rest of the board. For them it is key that you stick to the agreements that you make, that you hand in your reports on time, that you don't do any crazy expenses, and maybe most important that you have good references from others. Foundations will inform each other on who they believe is a good partner." (interview 17, 30 November 2020).

In general, the process of reporting to private donors is regarded as less complex than reporting back to institutional donors, which can save time and money that can be redirected to the implementation of development instead.

As explained before, the COVID-19 crisis could potentially make INGOs more dependent on private donations, as the funding climate might become even more uncertain. As such, it might offer more opportunities to contribute to more localization through the mechanisms as described above. INGOs receiving more income from private donors provides the opportunity to lobby for more unrestricted donations, support smaller organisations, and reduce time and money spent on reporting frameworks, which can be invested in local capacity building instead. Hence, besides the positive effects that COVID-19 has shown to already have on localization, as described in the previous subchapter, the increased engagement in philanthrocapitalism in the future could also open doors to more localization. Nevertheless, it should also be regarded that there is evidence that points out how an increased dependency on private donors can have a backward impact on creating more local ownership, which will be explained now.

4.3.2. Tug of War: How Philanthrocapitalism Can Hinder Localization

In this subchapter I will elaborate how the trends of philanthrocapitalism and localization create opposing forces. As mentioned in the previous subchapters, the COVID-19 crisis has not only been a catalyst for more localization, it also revealed how current financing structures in development continue to leave power with the donors. In this subchapter five reasons are discussed related to how philanthrocapitalism stands in the way of further localization. First, a philanthrocapitalist approach to development tends to disregards underlying political problems. Second, philanthrocapitalism prioritizes entrepreneurial gain.

Third, there is a low downward accountability as the center of power gravitates towards the donor. Fourth, philanthrocapitalism requires a lot of attention to be spent on acquiring donors and satisfying their needs. Fifth and last, this increased focus on the donor shifts away power and attention to the needs of local partners instead. The following paragraphs will elaborate on the arguments in more detail.

Passing Over Politics

As described in the first section of the results, philanthrocapitalism has caused corporates wanting to be involved and contribute to the solutions to developmental challenges. Viewing such issues through a strong business-focused lens, these private actors are particularly drawn to tangible projects with innovative or popular elements. This preference for popular projects was also observed during the COVID-19 crisis, when donors became especially interested in contributing to a crisis response, loosing interest in supporting other development projects. As a result, participants found that certain projects that might be important for developmental purposes, are not necessarily attractive for corporate donors. As a participant explains:

> The work that we does is not always very 'sexy'. We spend a lot of time around the table with local and community governments to change policies or those kinds of things. While for private donors these matters are not necessarily interesting. They prefer to have a water well on their name or something else that is very tangible and visible. This can be challenging because our country offices are looking for more support to work on the political level. While donors are looking for nice projects that are much more engaging and connect more to the Dutch market. (interview 13, 15 November 2020).

Another participant also states that compared to institutional donors, corporate donors focus much more on innovative projects. She explains that when writing project proposals, she ensures that they appeal to companies by "using more buzzwords" to spike their interest. Nevertheless, certain other activities that are inherent to development can be abstract, slow and operate much more behind-the-scenes. As a result, these type of development practices are often less of interest to private donors, making them harder to "sell" to donors and find sufficient funding. Thus, as a result of philanthrocapitalism there is an increased focus on projects that focus more innovation and are formulated according to business-like practices with strict goal setting, for example. Having this increased focus on predominant technical solutions, risks overlooking deeply rooted underlying political issues. However, these processes are often considered to be valuable for localization as they address issues related to local agency and unequal power structures.

Business First, Accountability Second

As described prior, philanthrocapitalism has led to development organisations adopting more business principles on the one hand, and companies being more involved in development practices on the other. Partnerships between development organisations and corporate donors have led to collaborations in which companies make use of their expertise to contribute to social challenges. An example of such a development project is that of Plan and TUI. To combat the high unemployment rate among youth in the Dominican Republic, Plan Nederland, corporate foundation TUI and Blue Diamond Resorts created the TUI Academy. For a group of 150 young people, the Academy provides vocational training, personal coaching, workshops in financial skills, and sexual health education. The idea is that the students develop

to become qualified, future employees of TUI resorts (Plan website, 2021). Through this development project it is possible that "Plan's expertise and local networks in program countries can be matched with the demand of multinationals to educate laborforce in local markets. This way, the experience and knowledge of partners can complement each other." (Plan jaarverslag 2015, p.88). Although, one can argue that such programs benefit the local community by providing employment opportunities and increase local capacity, which can contribute to more localization, it is important to remain critical as to why these corporates engage in such practices. It can be disputed whether these projects contribute to the creation of empowered local agents, or whether such programs merely serve companies' own interests and continue to feed the system that have caused the existing inequalities to begin with?

Additionally, because corporate donors engage in development to also serve their own interests, they can easily step out when they no longer feel they benefit sufficiently. Hence, compared to institutional donations, private donations can be more uncertain. As a result, participants agree that it is hard to hold them accountable if they do not meet their financial commitments. Moreover, as the income of companies, and hence also their willingness to donate, is strongly dependent on the market, they form a relatively insecure source of income. This unpredictable funding climate for development forms a challenge for localization, as this process instead requires long-term stable financial relationships and high accountability from donor to local partner. Moreover, as COVID-19 could lead to an economic crisis and INGOs to become even more dependent on generating income through private donors, this affect could even be strengthened.

Inform, Involve And Invest In Donors
Because private donors contribute voluntary to development and can decide to quit their donations anytime, it has become even more important to maintain a good and trusted relationship with the donor. According to the participants, the extend of informing and involving donors is mainly based on the size of their donation, but can be a timely aspect of current fundraising. As a participant explains: "Every time you offer more say or choice in where a donor's money will go to, it creates more administrational pressure. And then we reach a point that we actually spend more money on administration than actually bringing in that money." (interview 2, 17 November 2020). Besides it being a costly and timely process to inform donors, making commitments towards donors regarding how their money is spent also requires to communicate and ask for permission when projects seem to head into a different direction. As a participant illustrates:

> I can remember one example of a foundation that made a very large donation. We first made a proposal of a project that we intended to implement. However, the circumstances change and thus we could no longer execute our project. Then we informed the donor about the situation and consulted regarding how we could solve the issue and redirect the money. We asked them how they felt about our new proposal. Because, well, they funded the whole project more or less, so then it seems only fair to discuss the matter with them. However, with smaller donations we would not be able to do that. That would be impossible. (interview 12, 24 November 2020).

This example shows an increased dependency on private donors, causes INGOs to become more and more subject to the power exercised through authority by these donors. The more money is involved, the

more power gravitates towards to the donor, as they have a say how their donations are spent. This became especially apparent during the COVID-19 crisis, when having to ask for donor's permission to repurpose money formed an obstacle for a swift local-led response.

The involvement of private donors reaches far beyond only wanting to know where and what their money is spent on. It is argued that although foundations have less complex and extensive frameworks they operate with compared to institutional donors, their direct involvement and wish for participation in projects is larger. Several organisations mentioned that they regularly organise donor visits to project sites. Besides the fact that organisations notice that these trips generate more donations, it can also be argued that these visits from donors might increase the feeling of dependency and thus hamper local ownership and leadership. Although during times of COVID-19 these donor trips could not take place, leaving several INGOs wonder about whether or not they want to continue such endeavors in the future. It will remain the case that in the current development sector there is a strong focus on satisfying donor's needs by providing room for their engagement and input. However, creating such development collaborations could clash with prioritizing the needs as formulated by local partners and NGOs.

Pulling Power Away From Local People
As mentioned before, often times large private donations are accompanied with certain conditions, restrictions and reporting requirements. In some cases, development organisations even refer to their donors as "partners" or "clients". As there are a lot of foundations or corporates with very specific objectives, they regard INGOs as their partner to reach their goals. Likewise, private donors have also become increasingly important for the existence of INGOs. As such, it becomes apparent that private donors hold power to exert influence over the development framework that is adopted by organisations. Their expertise and knowledge is used as input for development projects.

The fact that donors can exert power over development projects is not a new phenomenon. Long before the trend of philanthrocapitalism, institutional donors have done likewise. Although institutional frameworks are seen as extensive and strict, it is nonetheless argued that as a result of these strict agreements, organisations have been forced to give more money to local organisations. The terms and conditions that institutional donors have imposed on development organisation have been supported by being well informed about trends in development and support the localization ideology. Private donors on the other hand might be less aware of the importance of localization and provide a more flexible cadre, leaving it up to the organisations to engage in more efforts towards localization or not. Although some may argue that this flexibility could benefit localization, others are more sceptical. A participant states:

> My assumption is that the fact that the government is stricter in terms of reporting requirements benefits local partners. What you often see is that the less restricted money is, the more money ends of with INGOs instead of local partners. The government often has good incentives. They really want to see your efforts in localization and want you to show the percentages of funding that you will give to your local partner (interview 18, 30 November 2020).

When asking another participant why the NGO he works for prefers institutional donations over receiving corporate donations, he answers: "Well, we do not really dare it [receiving donations from companies]. We really cherish our independent and critical position. [...] The government has a framework that is

much more acceptable to us. While a Unilever, for example, does not have that." (interview 9, 23 November 2020). When private donors demand certain funding conditions and reporting requirements, it does not only impact the relationship between donor and Dutch NGO, it often also requires adherence to the set-out conditions and reporting requirements by the local partner As a result, engaging in philanthrocapitalism can put increased focus on catering to the needs of private donors, while it pulls power away from local partners and organisations.

4.3.3. Navigating The Playing Field: How Do Development Organisations Deal With Localization and Philanthrocapitalism?

As described in the previous sections, the trends of philanthrocapitalism and localization can both accelerate or hinder each other, thus rather than creating a tension, they create an interplay. Moreover, these trends require a different size and function of INGOs. In the light of philanthrocapitalism, an INGO is expected to have a considerable role as they actively attract and engage with private donors. Handling matters of accountability that come with large donations and invest in a good donor relationship, require sufficient capacity. However, this strong influence and presence of INGOs in development risk producing top-down interventions. Many organisations favour taking a less prominent role in development instead. In line with increased localization of aid, international organisations are encouraged to downsize and shift power to local organisations. As a result of a challenging funding climate, putting local partners in the driver's seat, and their lower presence in project areas, the traditional role of development organisations is put under scrutiny. Subsequently, attracting private donors on the one hand and increasing local ownership on the other hand can be seen as a playing field in which development organisations manoeuvre to try and have the biggest impact possible. Additionally, as described prior, this playing field is also under transformation as a result of COVID-19. In this section I will elaborate on the power INGOs hold while navigating the playing field defined by both philanthrocapitalism and localization, and the effects of COVID-19. Two spheres in which INGOs have considerable influence will be discussed: INGOs can choose which donations they accept and they can choose whose knowledge they include.

Money: To Accept Or Not To Accept?
In a time of limited funding, several development organisations have said to experience tensions in deciding whether or not to accept money from certain donors. Especially businesses or foundations linked to companies can raise concerns regarding their incentives. Although an IKEA, Shell or Coca Cola Foundation are legally separate entities, they remain heavily influenced and associated with the companies that might have (in)-directly contributed to certain development challenges. With large donations or collaborations, organisation often first verify whether there is a good fit between the company and their objectives. But according to several participants this can sometimes be challenging. One states: "I don't think you can draw a strict line there. I believe it is most important to think about how you can justify your choices." (interview 12, 24 November 2020). Another participant agrees that in some cases it is hard to make a judgement call regarding which funds to accept. She explains:

> We don't accept all private donations. If there is dirty money involved, we are not interested. [...] To give an example, IKEA has their head office in the Netherlands because of the opportune tax system and we run a campaign against tax evasion. So there is definitely a tension there. In the

end we engaged with the IKEA Foundation because you can argue that IKEA is something else than the foundation - well I do not completely agree with that - but the projects we do with the foundation focus on localization and youth movements. Those matters are unrelated to the problems they might cause. So you have to strike some sort of balance in the end. But well, I think you can be pragmatic to a certain extent (interview 7, 19 November 2020).

Besides deciding whether or not to accept donations, INGOs should also regard private donors' underlying agenda and motives. As mentioned before, donors can have a large influence in the development sector as they have the power to formulate the focus and conditions a project proposal has to adhere to. Subsequently, it is up to the organisation to decide whether or not they choose to collaborate with the donor. Organisations agree that their own mandate is always leading in these dilemmas. In general, an organisation will not deviate from its main objective to be eligible for certain types of funding. Nonetheless, as the funding climate can be challenging, and potentially becoming even more so as a result of COVID-19, some organisations will choose to cater partially to its donor by diversifying or extend its activities in order to apply to a fund. For example, a Dutch NGO, which normally only focuses on the quality of education decided to collaborate with a donor to also engage in building school buildings, which it typically would not do. A participant explains how there are cases where they sit around the table with donors and agree to comply with one of the donor's wishes in return for adding input of their own into the project:

> It can occur that a donor expresses a specific wish to incorporate certain activities for example focussing on gender based violence. Although they might bring up a valid issue, we sometimes find that this is not an realistic or urgent issue on the ground. Most of the time it is a matter of sitting around the table and negotiate with the donor regarding what you are willing to do but also sharing your knowledge as expert organisation (interview 4, 18 November 2020).

This way it can become a sort of negotiation. Although it seems that major and corporate donors have the power to set out calls for proposals, choose the projects they want to fund, and bring forward their own ideas, most organisations have stated that if there is a large disconnect between the wishes of the donor and the mission of the development organisation, the organisation will decide to look for other more suited funds. INGOs often are well aware what donors are most fruitful to approach for funding for the type of projects they run. This way, organisations aim to avoid being in position where they experience tensions between the donor's wishes and their own mandate.

Organisation Act As A Sounding Board: Which Voices To Echo?
As described above, the trend of localization has led to INGOs wanting to increase local ownership of projects by letting local partners formulate issues themselves. In order to achieve this, INGOs should actively listen to their local counter parts and take their knowledge as input for the development of project proposals. At the same INGOs also have to deal with attracting private donors and satisfy their needs. Just like local partners, these donors often also have their own agendas and strong ideas about where and how their money is best spent. As development organisations function as the connecting link, or mediating party, between the donor and local partner, they have an important role in dealing with these conflicting desires. Nevertheless it also puts these INGOs in a powerful position for two reasons.

On the one hand, the organisation can decide which local voices they choose to amplify in their lobby and advocacy and in the conversations with donors. In development it is clear that the projects that receive most popular attention also receive most fundings. Nevertheless, it has also become clear that those projects that contribute most to localization, are not always most appealing to private donors. How organisations deals with tensions between the needs from the local community to receive support for slow, technical development processes on the one hand, and the desire from private donors to contribute to tangible, innovative solutions on the other hand, is explained by a participant: "A project consists of different components, and you highlight that one component of the development project that speaks most to the donor." (interview 13, 25 November 2020). Moreover, marketing departments of INGOs play an important role in setting up campaigns to attract donations for certain issues. Hence, this means that in the end it is the international organisation that chooses which local voices they want to give a platform, which campaigns they want to run, and thus which issues are most likely to receive donor's attention, and therefore more funding. Moreover, as described prior, as a result of COVID-19, the increased use of online communication allows INGOs to involve local partners in conversations with donors more often. Creating such direct links between donors and local NGOs potentially contributes to the inclusion of more local knowledge.

On the other hand, organisations hold power as they decide which donors they want to collaborate with, which money they accept, and which conditions or requirements they agree with. Although many donors are in favour of exercising control over how their money is spent and thus prefer strong upward accountability, this can be in conflict with the localization strategies of organisations. As COVID-19 reveals, having strong donor control over development funding, can inhibit local ownership of crisis response. Since partnerships between INGOs and local organisations are usually captured in subcontracts between both parties, it is again the INGO that decides if and how they translate the donor's terms to their local counterparts. Nonetheless, as explained by a participant, this can pose challenges: "as intermediair it is our role to maneuver between those strict guidelines and our preferred way of working with our partners. We work on a basis of trust, but our donor requires much more accountability." (interview 9, 23 November 2020). Another participant agrees:

> They [referring to donors] have very strict demands regarding financial accountability, integrity, safeguarding, et cetera. So the INGO is in the middle. They tell us: "we want more southern leadership, but it has to comply with the same requirements that we expect from you." So if an INGO receives the money, they have the final responsibility and then what is actually expected of them might be translated in the contracts with their partners (interview 21, 3 December 2020).

So that is an area of tension in which you are located as a development organisation. He continues to argue that an important question to ask in this situation is: "Who is your client?". Do you focus on satisfying private donors or do you prioritize the needs of the local organisations? In the end, it is up to the INGO to decide which voices they want to amplify. Lessons learned from COVID-19 seem to have created more awareness among INGOs how arrangements with donors can either contribute or hamper local ownership in times of uncertain circumstances. Increased awareness of existing power structures and their affects on the course of development is a first important step in fostering change.

5. Discussion

In this chapter I aim to discuss the results of this research and provide an analysis of the most interesting and unexpected findings. By reviewing these findings in the light of the previously determined theoretical framework, the significance of the findings will be investigated. Moreover, it will be explored how these findings challenge or contribute to existing theory, adding to the larger scientific debate on power in development. The first section explains how results reveal that the trends of philanthrocapitalism and localization do not create a mere tension that development organisations have to deal with, but rather a playing field in which they maneuver. Second, COVID-19 is added to the playing field. By assessing how it impacts current power structures in development, it is argued that although COVID-19 could be a catalyst for further reform, certain characteristics of the current system potentially hinder major reform. The third section aims to reevaluate the previously proposed theoretical framework of power. It is argued that in the context of strong hierarchical development systems, power cannot be seen as a mediated effect strictly. Results have shown that money functions as an attribute, "buying" the exercise of power through other means (labour, knowledge, authority, and accountability). As such, this thesis stirs away from viewing power as strictly repressive or normalized, but rather brings these two perspectives together by proposing a new framework of power.

5.1. Not A Tension, But A Playing Field

One of the main objectives of this study was to investigate how Dutch development organisations deal with the trend of philanthrocapitalism on the one hand, and the trend of localization on the other hand. When investigating philanthrocapitalism, results of this study are in line with previously stated critiques, arguing philanthrocapitalism concentrates the power in the hands of a few in terms of agenda setting, resulting in a lack of shared decision-making structures (Edwards, 2009; Barnett, 2013). Results show that private donors have a large say in where their money goes, especially those who contribute considerable amounts. Partnerships between corporate donors and INGOs allow for involvement of companies in which corporate actors can actively participate in formulating development problems and solutions. Additionally, foundations or major donors can set out calls for proposals, allowing them to dictate the requirements and conditions that proposals have to adhere to. These findings support Barnett's (2013) argument that development interventions can be top-down. Moreover, in accordance with Koot & Fletcher (2020), results show that by employing market principles for development and focussing on delivering technical and innovative solutions, underlying structural issues tend to be ignored. Evidence was found that partnerships between the private sector and development sector, have a strong focus on economic added value. This finding is in line with scholars arguing that philanthrocapitalism increasingly involves issues of hegemony instead of those of altruism and have little downward accountability (Morvaridi, 2012; Kapoor, 2013; Mediavilla & Garcia-Arias, 2019). These findings seem to stand in stark contrast with the objectives that localization aims to achieve.

Investigating the increased call for localization in the Dutch development sector revealed that there has been a major shift of tasks and responsibilities to the countries where the interventions take place. Organisations are hiring more local staff and reduce the deployment of international employees and volunteers. Previous literature argued that the role of local actors has significantly expanded as they are

put at the center of international development (de Geoffroy, Grunewald, & Cheilleachair, 2017; Bruschini-Chaumet, Shama, Othman, & van Hilten, 2019). Although findings indeed show an increase of local ownerships of projects, it becomes apparent that despite these efforts, there are still barriers in place for further localization. As Bruschini-Chaumet, et al. (2019) have argued, local organisations continue to be neglected as they are not as large, well-funded, or professionalized as some international organisations. Moreover, many international actors remain apprehensive to transfer real power to national and local actors. Their concerns are often related to the capacity of local actors and their ability to scale up (Dixon et al., 2016; Bruschini-Chaumet et al., 2019; Duclos et al., 2019; Barakat & Milton, 2020; Roepstorff, 2020). This was also reflected in the findings that showed that donors remain reluctant to provide direct funding to local organisations and continue to favour large organisations. Moreover, some participants argued that a lack of local capacity forms a bottleneck for further shift of responsibilities.

As previously described, as localization aims to shift the power of decision-making and agenda setting to local development actors, and philanthrocapitalism concentrates power in the hands of a clique of wealthy people, it was expected that these two trends clash. Results show that these trends can indeed hinder each other. Philanthrocapitalism focuses on technological and innovative solutions for development, disregarding underlying political issues or local perceptions of problems. Moreover, as private donors want to be involved and remain informed, they can exercise large influence over development, pulling power away from local actors. Nevertheless, the results also pointed into an unexpected direction, regarding how philanthrocapitalism and localization can also complement each other. Compared to institutional donors, private donors are less risk averse, do not have complex reporting criteria, and work mostly on a basis of trust. Hence, philanthrocapitalism creates more opportunities for supporting smaller, less established organisations and pioneering local initiatives. Thus, these two trends do not merely create a tension, but rather a playing field in which Dutch development organisations has to maneuver between the donor on the one hand and its local partners on the other. Inherent to a playing field is that players can decide their strategy and have agency regarding which direction they want move in. Thus, it can be said that Dutch NGOs have an important role to play in development. They decide what money they accept, and under which conditions, which local partners they choose to work with, how they contract them, and they choose which voices they echo in their lobby towards their donors or partners.

5.2 Adding COVID-19 To The Playing Field

As elaborated on in the previous subchapter, trends in development like philanthrocapitalism and localization cause a shift in power, creating a playing field for Dutch NGOs to manoeuvre in. This playing field is not only shaped by these trends, but also by large global events. As a result of COVID-19, circumstances are rapidly changing, meaning INGOs have to adapt the ways they work. New forms of partnerships with donors and local counterparts lead to shifts in power alike, however arguably even more swifty and less calculated. This section aims to shed light on the impact of COVID-19 on the previously defined playing field, shaped by philanthrocapitalism and localization. Through reviewing how COVID-19 affects power structures, this research will be put in the broader development context.

Big Players Rule The Game

The COVID-19 crisis once again uncovered that current structures in development continue to favour large NGOs. Local NGOs with strong international links and a large track record received most funding to participate in providing a COVID-19 humanitarian response. In practice this meant that smaller organisations were often left out. From the interviews with the local development workers, it became apparent that due to many development programs being halted by COVID-19, several small organisations risk their future existence as they mainly work project-based.

Additionally, in accordance with Byrant (2020), the crisis has also exposed the limits of our current system. In accordance with Edwards' (2009) main critique on philanthrocapitalism, the crisis confronted Dutch NGOs that especially large donors can exercise power in terms of agenda setting and decision-making. In some cases Dutch NGOs were required to consult some of their important private donors regarding the changes in expenditures as a result of COVID-19. A system is created in which local partners have to wait for permission from the intermediary NGO, who in turn must wait for the donor's approval for the changed plans. This process can take months. Not only does this feed existing unequal power structures in which interventions are critiqued for being largely top-down, it can also be argued that it inhibits a swift local response and local ownership of projects.

However, results indicate that the crisis has made organisations more aware of how strict donor requirements and detailed budgeting can hamper local-led development initiatives, especially in times when local organisations face rapidly changing circumstances. Hence, although COVID-19 has shed light on how the shortcomings of the development sector stand in the way of more local ownership, it seems that it has sparked debate about how development can be done differently and has created opportunities for improvement. Increased awareness potentially allows Dutch NGOs to change their position in future lobby with donors and take a more critical approach when it comes to donor requirements. This creates the belief that COVID-19 could potentially be a catalyst for change, benefitting further localization. Nonetheless, it remains uncertain which positive effects will prevail, and which will vanish after the crisis. Additionally, the question remains what the negotiating power is of the INGOs, especially in times where they might rely even more on private donors for sufficient funding as a result of a negative financial aftermath of COVID-19. A looming economic crisis, causing countries turning more inward, can result in decreased government support for international development. As stated by some participants, they believe this could lead to Dutch NGOs becoming even more dependent on private donors and the adoption of market principles for sufficient income for Dutch NGOs. Engaging more with companies, foundations, and major donors could continue to feed the already powerful position that these private donors hold in the current development sector.

Although it seems that COVID-19 has tightened the funding screws for development organisations and thus pushed development organisations to engage with private donors and alternative ways of gaining income, the crisis has also proven that this does not come without risks. Relying on business principles for income generation has shown to be a vulnerable business model as crises like this have a large impact on the functioning of the market. Additionally, a large dependence on private donors has proven to provide more restrictions and less flexibility, especially in uncertain situations, leading to situations that conflict with efforts for increased localization.

Local People Prove Their Power

Looking at the past, lessons from the response to the Ebola crisis in 2014 highlighted the vital role of local actors (Dalrymple, 2020). In recent popular articles, scholars have argued that the COVID-19 crisis response potentially presents opportunities to accelerate progress on the localization agenda (IASC, 2020). Findings from this research support these expectations. Results point into the direction that the COVID-19 crisis could be a stepping stone for more localization. The COVID-19 crisis presents a unique opportunity for local organisations to take the lead in projects under circumstances that international organisations would otherwise not have agreed upon in normal situations. This led to an unanticipated large scale transfer of labour, knowledge and power to local development organisations. Most participants agreed that as a result, local partners were able to demonstrate their capabilities as they were able to continue their work in challenging circumstances and times of uncertainty. Moreover, as a result of the travel restrictions, it has been proven that international experts or international supervision are not strictly necessary for successful implementation of projects. Most participants agree that COVID-19 has led to the realisation that it is not necessary for international aid workers to travel to the project sites as much as they used to. They believe that this will inevitably lead to less travelling in the future, as it is not only cheaper, but also because online communication proved to be effective and sufficient in most cases. Not only will this result in a reduced presence of international workers in the countries of intervention, it also provides more responsibilities and ownership for local organisations. A participant argues:

> Localization is now put into hyperspeed. Due to the movement restrictions, international organisations have become much more dependent on local partners all of a sudden. We started to notice how capable our partners are and how there is a very good functioning infrastructure that enables remote partnerships, such as video calling for example. [...] There might have been a few failures during COVID-19, but there are also very many success stories of projects during which INGOs were hardly involved. [...] So I believe that in certain aspects we will not go back to our old ways. At least I hope we will not go back to visiting the project sites as frequently and taking such a dominant role as intermediary organization. Of course, we still have an added value but I think we have also become much more critical as an organisation about our own role (interview 8, 20 November 2020).

As predicted by Schenkenberg van Mierop (Aly, 2020), COVID-19 has sparked debate among several organisations regarding their role. In some cases organisations have even already reshaped internal structures, providing more power to their local partners as a direct result of COVID-19. Several participants state that the current challenging funding climate for international development, in combination with the COVID-19 crisis has led to recent reorganisations. An example of an organisation that is currently going through a grand transformation is that of Oxfam. Aiming to decolonize internally and equalize power structures, a participant explained that besides the traditional affiliates based in the global North, Oxfam is now creating more Southern affiliates. These Southern affiliates will receive more responsibilities and direct funding: "We want to divide our funding more equally. I believe that at this moment, the Northern affiliates receive 70% and the Southern affiliates 30% of the funding. However, we want to reverse this division." (interview 7, 19 November 2020). Besides this concrete example of how COVID-19 has been a catalyst for reform, participants have also mentioned that they noticed that as a

result of the crisis debate has sparked within their organisation, potentially leading to more strategic and organisational changes benefitting the process of localization in development.

Hence in conclusion, it can be argued that COVID-19 has created a unique situation in which local partners have been able to demonstrate their capacities and convince international organisations that development can be done differently. And it does not go unnoticed. COVID-19 has sparked debate among several, and in some cases has even already reshaped internal structures, providing more power to their local partners. A looming economic crisis, causing countries to turn more inward, can be another push for INGOs to continue to outsource labour for financial reasons and for local organisations to be increasingly empowered as they rely more on raising funds from their own country. Hence, concerning localization, the future seems to be bright. Nevertheless, it remains uncertain which positive effects will prevail, and which will vanish.

System Remains Unchanged

Although results seem to show potential for increased localization as a result of COVID-19, some participants remain sceptical regarding its ability to transform development due to several reasons. First, despite increased efforts to transfer labour, knowledge and power to local organisations, the system in which development operates remains the same. Money is still supplied from the global north, hence they hold the power to set calls for proposals, choose their partners, and formulate under which conditions their money is spent. Local organisations still have to report back to the donors like they have always done, making them submissive. When asking a participant whether she believes COVID-19 could potentially accelerate localization, she answers:

> No, I don't think so. Because in the end our system still remains the same: the donors who have money will look for local organisations who can best execute their idea and who has the most experience. [...] The challenge still remains that small local organisations continue to struggle to tap into international funding themselves (interview 10, 23 November 2020).

Second, some participants mention how the context in which development organisations operate at the moment do not allow for further localization. Corruption, fragile contexts, and in some cases a lack of certain skills or capacity hinder putting more responsibility and ownerships with local partners. Moreover, some participants have expressed worry regarding the future impact of the COVID-19 crisis on the situation in project countries. They mention how poverty increases, having negative impacts on livelihoods, education, and wellbeing of people. Additionally, some local governments have used COVID-19 as an excuse to further reduce civic space or restrict social groups in their country. Hence, it can be concluded that although COVID-19 seems to function as a successful experiment demonstrating the benefits of localization in development aid and a potential catalyst for change, the current strong hierarchical development system and certain external forces continue to form a barrier to more local ownership. The next section will shed light on how the results have shown that despite power being mediated by all, certain actors in the development sector can exercise more power than others.

5.3. Putting Power Into Perspective: Money Matters Most

To investigate patterns of power distribution in the context of Dutch development organisations, I chose to adopt the view of power being a mediated effect, as proposed by Foucault (1984). In his argument, Foucault rejects the view of theorists like Marx and Weber, who view power as accumulated, authoritative, and repressive. Rather than power being strictly negative, Foucault also acknowledges how power can be productive. Power can modify the actions of others, either by enabling or restricting them. Social relations are central in Foucault's understanding of power, as he argues power to be produced and reproduced through constant interaction between different people. Moreover, he argues that power is not wielded by a few, but instead power is exercised by everybody. In this understanding, all individuals are vehicles of power, meaning it is not centralized but diffused across society and can be found at all levels of social interaction and in all institutions and organisations.

Nevertheless, analysis of the results show certain contradictions with Foucault's (1984) view on power. Findings related to the influence of philanthrocapitalism in the development sector reveal that increased dependency on private donors and market principles has shifted power further into the hands of a few wealthy donors. As these donors have a large say in where their money is spent, they have demonstrated to hold considerable power. They can influence the formulation of development problems and stir development solutions into a certain direction. Earlier in this thesis an example was provided of how a collaborative program between Plan and TUI, allowed corporate donor TUI to donate their money to education programs, training potential future TUI employees. In return for considerable financial support, such partnerships create opportunities for donors to share their knowledge, formulate strategic goals for the project, and infuse development with a business-minded approach.

As a result of these top-down formulated development projects, strong hierarchical financing structures, and upward accountability mechanisms, there is a risk of creating a large disconnection between the different actors. Accordingly, not all individuals have a chance to interact and engage in the diffusion of power through a mediated effect. Although results have shown several examples in which local NGOs or Dutch NGOs have been able to exercise their power and initiate meaningful changes in development leading to more localization, it seems that the ultimate power of decision-making lies in the hands of those with financial means. For example, research pointed out that donors prefer to interact with large local NGOs, as opposed to smaller less-established organisations, thus making it harder for the latter to participate and exercise power when it comes to agenda-setting in development. Moreover, analyzing the different localization efforts that aim to shift power to local organisations, it becomes apparent that the conditions for local leadership are still dictated by the global North. Results show that in some cases local organisations can only get funding if they have completed a training in gender inequality, if they stick to a proposed framework, or if they adhere to the set-out reporting requirements. Especially COVID-19 made it clear that local actors were bound to conditions set by their international counterparts and donors, who had to be asked for permission when initial plans change. Additionally, donors and Dutch NGOs choose who they give financial means to contribute to providing a crisis response, and who cannot participate. Being able to control when money, and thus more power, is released, dictating the prerequisites for receiving money, and choosing who to give it to, demonstrates these unequal power relations.

Hence, although power can be found at all levels in the development sector, it is argued that power is not mediated by all in an equal manner. Rather than assuming that the idea of power is held in an egalitarian position by all actors involved, results show that the actors with money are able to mediate more power than others. In other words, money creates a space for repression within the mediation of power. As such, viewing power as being either as normalized and being mediated by all (Foucault, 1984) or as repressive and held by only a few, supported by Marx and Weber, becomes obsolete. Instead, I argue that power should be regarded as an attribute that can be mediated more by only a few. Those actors who have money can decide how much power others can exercise through the previously determined attributes. In other words, this power functions as repressive within mediation. As such, money can be used by a group of people over others to further their own interests. Despite some wealthy people having good intentions, money perpetuates strong hierarchical structures in development that have proven to hinder further localization. As long as financial means are mainly held by those in the global North, domination is continued as certain individuals may have a much greater chance of their behaviours, preferences and power acts to be imalgated into the wider field of power. By adopting a dual perspective on how money functions as a repressive power within the mediation other attributes of power, power issues can be illuminated from different directions, and thus provide a fuller picture of both the problems and solutions.

In order to do so, I propose a dual analytical framework that illustrates this two-sided character of power (see figure 1). This way a bridge is created between the arguments of Foucault and thinkers like Marx and Weber. In the following paragraphs it is elaborated for each previously determined attribute (knowledge, accountability, authority, and labour) how money functions as an enabling factor for exercising power.
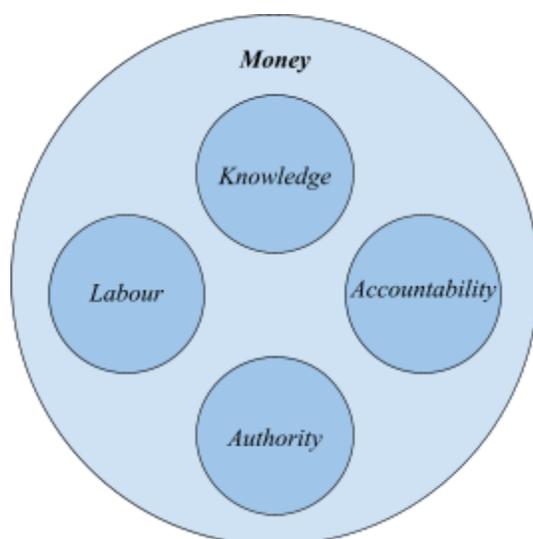

Figure 1: Dual Power Framework

Knowledge
Results have shown that in recent years Dutch NGOs have increasingly put local knowledge and ideas central to their work. Organising focus groups, baseline surveys, and field visits are ways that NGOs aim to connect with local beneficiaries. Results have shown that as a result of COVID-19, it has been possible

to include local knowledge even more. As all communication between international and local NGOs took place online, video calling allowed for dialling in local partners during decision making processes taking place in the Netherlands in which they previously would not be present. These types of mediation are aimed to include more local knowledge and shift power to local communities. Nevertheless, as pointed out by Hivos: "Even though the importance of local ownership is broadly acknowledged, we tend to "give" this to the marginalized, underrepresented people we chose, wrapped in our own values and conditions regarding the terms of this ownership." (Hivos Strategic Compass 2021-2024, p.8). As the organisation is in charge of providing funding, the organisation chooses in which countries they prefer to operate and what themes or target groups they want to focus on. In the process of choosing partners to work with, organisations can formulate the frameworks and conditions that local partner organisations have to comply with.

Additionally, INGOs exercise power as they play an important role in lobbying and advocacy. Development organisations decide on which themes they actively raise awareness, how they frame it, and which local voices they echo. This shows that although local partners play an important role in raising their voice in order for local knowledge to be included in the development debate, Dutch NGOs eventually decide which voices are echoed and which are not. Moreover, when it comes to the increased dependence on private donors, results show that donors, especially those who donate large sums of money, increasingly gain a say in how their money is spent and how development should be done. In the interviews it was mentioned that those who only donate small amounts have no say in where their money is spent, nor do they receive the same privileges. Major private donors, on the other hand, are invited to networking events or on donor trips to participate in setting up projects and sharing their expertise. A participant even provided an example of how a donor who regularly visits their project field site is able to decide which school facilities need improvement, as long as they would pay for it.

In other words, both donors and NGOs can exercise power as they each decide who they give their money to and under which conditions. Donors have a large say over the course and objective of development projects when they contribute considerable amounts of money. Moreover, Dutch NGOs decide which local NGOs they give a platform and who they provide with the means to participate in development. Hence, it can be argued that those with money have the power to decide who can mediate power in other ways.

Accountability
When it comes to the relationship between INGOs and local partners, INGOs are concerned with increasing downward accountability structures to promote localization. As these accountability mechanisms are set up by the international organisations, who are also the ones who provide money to local organisations, it was found that these evaluating and monitoring practices are likely to be subject to high social desirability. As mentioned earlier, a participant explained how he noticed that local partners often report to be very satisfied with the relationship with the Dutch NGO. He wondered whether such accountability mechanisms work, as he was unsure whether the positive feedback they received from their local partners is genuine: "Because in the end they just want to be on good terms with us because we give them the money they need to execute their projects and they depend on us to keep their jobs. And in some cases we are also the only funder they have." (interview 1, 16 November 2020). Hence, this example

demonstrates that money can function as repressive in the relationship between Dutch NGOs and local partners.

When it comes to the relationship between donors and Dutch NGOs, results show that as a result of philanthrocapitalism there is low downward accountability, as private donors can quit their donations whenever they want. Upward accountability, on the other hand, seems to increase as donors are concerned how their money is spent. Although organisations pointed out that those who have small donations do not have the choice where their money goes to, often starting from a certain threshold, large donors can demand more say and more upward accountability. The current financial structures, with a high degree of accountability towards donors, was especially laid bare during the COVID-19 crisis. As most development projects are detailed budgeted with set guidelines agreed upon with the donor, COVID-19 caused major redirection and repurposing of project finances in order to respond to the changing circumstances and provide relief. In many cases local NGOs had to consult with their international counterparts, who, in turn, had to contact donors about the project changes. Being required to inform and consult donors during the crisis confirms once more their powerful position in the sector created by their financial power.

Authority
Despite the fact that COVID-19 has shown how upward accountability mechanisms require donors to remain involved when circumstances change, when looking at authority, it is also clear that money enables actors to make decisions over development. During COVID-19 donors had to be asked for permission to redirect or repurpose funding. Although, in general, donors were very compliant with the proposed changes, giving donors such a position of power takes decision making away from local partners. They hold the authority to accept proposed changes or not and in some cases can even exercise power through defining conditions for newly set-out projects. Nevertheless, results show that experiences from the COVID-19 crisis, during which such financing structures showed to create uneven distributions in power, lead to several Dutch NGOs making changes. As a participant explained:

> Now we have enabled partners to take money and only report after what it was used for. So we aim to make it possible for local partners to easily tap into that money, for example when there is a second or third COVID-19 wave or for future situations. This way they can choose what they want to do with that money. I believe that in the future changes like these will be made possible not only within Plan, but also other organisations (Interview 8, 20 November 2020).

Even though this example demonstrates that COVID-19 could contribute to the creation of more efficient funding mechanisms between international and local NGOs, it remains uncertain whether private donors will also be more amenable to change the ways in which they fund and are willing to handover a part of their power to local NGOs instead. Moreover, results demonstrated that successful localization efforts are those that provide local partners with non-earmarked funding, so they can decide themselves how this money is best spent.

Labour

Over the last years, decentralization in the development sector has shifted labour and responsibilities to the global South. Nevertheless, although gaps in development funding have led to the increase of hiring local staff, results reveal that the higher paid positions in the countries of intervention are still held by internationals. For example, regional managers, country directors, consultants or interim employees are often still Dutch or people from the West. A participant explains that the national staff is often filled with those positions "with less power, less control, and thus also less say". Moreover, they receive a lower salary than international employees. As such, money tends to create a divide between the power that particular positions hold. In that sense, it seems money functions as an underlying argument for choosing who fills what kind of position in the development sector, thus also deciding who can exercise power through labour and who cannot. In this line of thought, the Dutch NGOs decide which local partners they want to contract to work with, thus choosing who they provide labour to.

As local partners are often mainly project-based, the COVID-19 crises made it apparent how much power Dutch NGOs hold when it comes to choosing their partners. As Dutch NGOs usually pay their local partners in installments, based on the progress of the project, the hampering progress as result of the crisis meant that installments were either not paid or severely delayed. As a result, many local organisations could not hire new workers. Additionally, some organisations had to let go of their staff due to these financial hardships. In practice, this often meant that those employees working in the lower hierarchies were the first to lose their job. A participant working at Oxfam Indonesia explains: "Our partners are slowly dying. It has been nine months without any new funding, so they could not survive." (Interview 19, 1 December 2020). Hence, it can be argued that the NGOs who possess money, hold the power to choose who they let live and who they let die.

Money

As argued at the beginning of this chapter, money can function as a repressive form of power. Results have shown that the actors with money can use their power to force their will. An example of such repression is how Dutch NGOs have to cater - to a varying degree - to their donor's wishes to apply for funding. Participants have mentioned to "write towards the donor", as it is only possible to develop projects if money is available: "I mean, if nobody wants to fund education, then there will be no more educational projects." (interview 17, 30 November 2020). Additionally, when asking a participant how much influence donors have in what they fund, she shares:

> There are certain donors that let you decide yourself what you want to do. But we also have a donor that only does hardware, meaning building schools and sanitary buildings, and those kind of things. Then we can say: "well, we don't normally do that", but then you end up having nothing, right? (interview 14, 25 November 2020).

Another participant explains a similar position during which they try to mediate between donor's wishes and their own agenda:

> It can occur that a donor expresses a specific wish to incorporate certain activities for example focussing on gender based violence. Although they might bring up a valid issue, we sometimes

find that this is not an realistic or urgent issue on the ground. Most of the time it is a matter of sitting around the table and negotiate with the donor regarding what you are willing to do but also sharing your knowledge as expert organisation (interview 4, 18 November 2020).

From these examples it becomes clear that donors have a large influence in what is being funded in development. Donors examine and approve development proposals and thus decide which projects can be executed and which cannot. In these situations, Dutch NGOs can decide whether or not they choose to collaborate with the donor and whether or not they decide to engage in activities they do not support.

Nevertheless, in a time of limited funding, several development NGOs have said to experience tensions in deciding whether or not to accept money from certain donors. Especially since the funding climate can become even more challenging as a result of COVID-19, as the results point into the direction that the repressive power that wealthy donors can exercise seems to increase. As such, power in the form of money can be seen as something that is possessed and exercised by a group or argents over others in order to further its own interest. This view on power strikes with the ideas of theorists like Marx and Weber and supports findings of previous scholars, who claim that power relations are directly connected to economic relations (Flybjerg, 1998; Lee, 2000; Chen, 2001; Hillier, 2002; Boanca, 2012). Adding to this line of thought, I argue that money acts as a prerequisite or enabler to exercise other forms of power, as depicted in figure 1. As such, power should be regarded as an attribute that can be mediated more by a few than others. Hence, adopting a dual approach to understand how power can be repressive within mediation, allows the illumination of issues from different viewing points, giving a fuller picture of both the problems and the solutions.

6. Conclusion

In the light of the recent development trends of philanthrocapitalism and localization, and the current COVID-19 crisis, this thesis set out to investigate the research question: *How do Dutch development NGOs deal with attracting big private donors on the one hand and increasing downward accountability on the other, and to what extent does COVID-19 influence this tension in the distribution of power?*

By shedding light on how these two different trends and COVID-19 impact the Dutch development sector through interviews and an online review, this thesis aims to gain a better understanding of how power is distributed in development.

Results reveal that, as a consequence of government budget cuts, Dutch development organisations have become increasingly dependent on funding from major donors, foundations, and especially companies. Philanthrocapitalism has caused development organisations to engage more in market related practices and businesses to become more involved in development. Besides donating money, corporate actors also actively share their expertise and labour partnerships with Dutch NGOs. As a result of this increased business-like approach in development, private wealthy donors play a prominent role in defining development problems and solutions, leading to low downward accountability, and innovative and popular projects receiving most funding. Additionally, the changing context due to COVID-19, required organisations to ask donors for permission to repurpose streams of money, again shedding light on existing hierarchies in the development sector and inhibiting localization of aid. This powerful position that donors hold in the current development sector could be enforced as the COVID-19 crisis potentially makes Dutch NGOs even more dependent on large private donors for sufficient income due to an increasingly challenging funding climate.

The results on localization show that Dutch development organisations have increasingly downsized their international offices, transferring labour and responsibilities to the global South. Adopting a more critical review of their role, organisations have restrategized and reorganise to put local leadership at the core of their activities. Over the years, local aid workers have become more vocal and INGOs have shifted more attention to putting local actors in the driver's seat. Nevertheless, limited access to funding (especially for small organisations), strict reporting requirement, and uneven distribution between funding for international and local organisations continue to pose considerable challenges for increased localization. COVID-19 and the imposed travel ban has set-up a natural experiment of the withdrawal of expatriates that has created a unique situation in which local partners have been able to demonstrate their capacities and convinced international organisations that development can be done differently. The travel restrictions have led to an increased dependency on local NGOs for input of information and the management of projects. Increased use of technology has made it easier to include local partners in decisionmaking process and has made information and capacity training more accessible for local partners than ever before. Although COVID-19 seems to function as a successful experiment demonstrating the benefits of localization in development aid and a potential catalyst for change, the current strong hierarchical development system and certain external forces continue to form a barrier to more local ownership. Moreover, it remains uncertain which positive effects will prevail. When the travel ban is lifted and international actors will have the chance to return to the field, a new natural experiment will begin,

revealing whether the sector shifts back to its old ways or whether this global pandemic has paved a way for doing development different.

When looking at the forces of philanthrocapitalism and localization together, it can be concluded that these trends can both complement and hinder each other. Compared to institutional donors, private donors are less risk averse, do not have complex reporting frameworks or criteria, and work mostly on a basis of trust. As a result, philanthrocapitalism creates more opportunities for supporting smaller, less established and pioneering local initiatives. However, as corporate donors favour innovative projects, putting economic gain central, they tend to disregarding underlying political issues and local knowledge. Moreover, attracting private donations requires INGOs to play a prominent role in finding ways to inform and involve these donors, not only providing them with power, it also risks shifting away focus from the local context.

Hence, I argue that localization and philanthrocapitalism, as they can both hinder and accelerate each other, create a playing field in which NGOs have to maneuvre. Although power can be found at all levels in this playing field, it is argued that power is not mediated by all in an equal manner. Those with money seem to be able to mediate power more than others.In other words, money creates a space for repression within mediation of power. As such, viewing power as being either as normalized and being mediated by all, according to Foucault (1984), or as repressive and held by only a few, supported by Marx and Weber, becomes obsolete. In order to do so, I propose a dual analytical framework that illustrates this two-sided character of power (see figure 1). This way a bridge is created between the arguments of Foucault and thinkers like Marx and Weber. Understanding this duality of power helps to disentangle the patterns that constitute different social relationships, unveil specific rationalities, and contribute to the debate on the role of INGOs in a rapid changing funding landscape.

Although it is believed that the adoption of a dual power framework can provide a better understanding of power structures within development, it still remains to be uncovered what this dual approach means in terms of resistance. Whereas Marx argues that liberating from dominant power requires a single, grand resistance from the masses, Foucault prefers a multi-centered approach and rejects the idea that you can truly break from power. Hence, future research should focus on understanding how these two ideas can be combined. Moreover, as power is not timeless nor universal, it is recommended that future research adopts this dual power framework to increase our understanding of different development contexts. In particular it is recommended that more research is done focussing on the perspectives of donors or local partners to understand how they experience power structures in development and the impact of COVID-19. Especially now that we already found ourselves in a later stage of the crisis, future research on COVID-19 and development allows to gain a better understanding of which changes as a result of the crisis remain and which will vanish, and how similar situations in the future can contribute to power shifts in development.

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Appendix A: Overview of Interview Participants

Organisation	Name	Job	Located
Action Aid	Bert van Pinxteren	Senior program officer	The Netherlands
BWC (Because We Carry)	Celine Kamsteeg	Program Officer and Coordinator volunteers	Greece
Cordaid	Anne Kwakkenbos	Gender, peace, and security expert	The Netherlands
Cordaid	Pascal Richard	Advisor localization & local leadership	The Netherlands
Edukans	Hendrien Maat	Senior education specialist	The Netherlands
FPU (Free Press Unlimited)	Paco Mens	Project officer South East Asia	The Netherlands
Habitat (for Humanity)	Yulan Duit	Project officer program & fundraising	The Netherlands
Hivos	Akky de Kort	Technical advisor child labour, business & human rights	The Netherlands
Hivos	Caroline Wildeman	Program manager	The Netherlands
Hivos	Jeroen van Aken	Head private fundraising	The Netherlands
ICCO (Cooperation)	Jette Swinkels	Programme Officer Disaster Management	The Netherlands
IOM (International Office for Immigration)	Seline Froling	Immigration & border management specialist	Egypt
Oxfam	Michelle van den Berg	Partnerships and local humanitarian leadership	*Roaming expert*
Oxfam Iraq	Aso Ahmed	Partnership coordinator	Iraq
Oxfam Indonesia	Dino Argianto	Humanitarian Operation Lead	Indonesia
Plan	Lieke van Tooren	Regional business development manager	Jordan
SACMID (South Asia Center for Media In Development)	Afia Sultana	Project coordinator	Bangladesh
UNICEF	Anne Valkering	Program coordinator child labour	The Netherlands
UNICEF	Sabine de Jong	Program coordinator advocacy and children's rights specialist	The Netherlands
VSO	Karolien Molenaar	Partnership manager civil society and education	The Netherlands
War Child	Fleur van Monsjou	Online officer	The Netherlands
War Child	Simon Zambeek	Business partnership manager	The Netherlands

Appendix B: Topic List For Interviews

Introduction
- *Thanking participant for their participation*
- *Introducing myself and the research. Explaining the purpose of the interview*
- *Asking participant for permission and anonymity*

General
- Function: job responsibilities
- Organisation: Type of projects and context the organisation works in

Localization
Use details from website to ask questions about current projects and localization efforts
- Who are the local partners that you work with in the country of the intervention?
  - Country offices / Organisations / Local project managers / Beneficiaries
- What is your relationship with them?
- Power of local partners
  - Knowledge
  - Capacity
    - Money
    - Labour
  - Authority
  - Accountability
- Are you familiar with the increasing trend of localization?
  - What is your definition of localization?
  - Is your organisation engaged with this trend?
- What are the benefits and what are the drawbacks of localization?
- What is the influence of COVID-19 on the localization agenda of your organisation?

Philanthrocapitalism
Use information from financial reports to ask questions about donations and donors
- Where does most funding come from?
  - Government / Individuals / Major donors / Corporate donors / Foundations
- Is your organisation involved in market-related activities?
  - Product sales / event organising / marketing
- Have there been any changes related to sources of income?
- Power of different donors
  - Knowledge
  - Capacity
    - Money
    - labour
  - Authority
  - Accountability

- What is the influence of private donors on projects?
  - To what extent can they decide where the money goes to?
- What are the benefits of engaging with large private donors, what are the drawbacks?
  - Do you ever experience conflicts of interest?
- Are you familiar with philanthrocapitalism?
  - Do you think this is applicable to your organisation?
- Do you notice a tension between engaging with localization and philanthrocapitalism?
- Does COVID-19 have an effect on your organisation's funding?

COVID-19
- Impact of COVID-19
  - Job / projects / organisation / partnerships / communication
- Do you think COVID-19 has an impact on the distribution of power within development projects?
  - More/less power to donors?
  - More/less power to local partners?
- Do you see any positive / negative effects of COVID-19 for the development sector?
- Do you expect these effects of COVID-19 to last?

De-briefing
- *Ask for connections with other potential participants.*
- *Explain how data is handled, that results will be shared upon completion of thesis, and mention participant can always contact researcher in case of questions.*
- *Thank participant for their time.*