NEITHER MARKET NOR HIERARCHY -
WALTER W. POWELL’S CONCEPT OF NETWORK APPLIED TO
HUMANITARIAN SECTOR

Michaela CHLÁDEKOVÁ

Comenius University in Bratislava, Faculty of Social and Economic Sciences, Institute of European Studies and International Relations

Address: Mlynské luhy 4, 821 05 Bratislava, Slovakia

E-mail: michaela.chladekova@gmail.com

Abstract: The article is author’s preliminary exploration of the relevance of W.W. Powell’s concepts as regards the humanitarian sector. It engages with the extent of the applicability of a network and its critical components – trust, know-how and demand for speed. Author further attempts to draw an outline of network typology and searches for examples of isomorphism associated with the organisational field, another concept elaborated by Powell.

Key words: humanitarianism, organisation, network, competition, organisational field

INTRODUCTION

Although we do not intent to engage deeply in the description of historical development of humanitarian aid provision, it is unavoidable to mention the milestone that is considered to have initiated or crystallised the transformation of Dunantist idea of humanitarianism. The end of the Cold War and accompanying changes. From the beginning of 1990s humanitarian aid came to be seen as "a new duty incumbent on the international community" (Versluys/Orbie, 2006: 29) and the sector has inter alia undergone the process of expansion, politicization, professionalization, actors proliferation, and the organization of humanitarianism is becoming institutionalized and rationalized. Since 1990s, the humanitarianism became more recognized as a field. There were regular interactions among the members, an increase in the information and knowledge that members had to consider, a greater reliance on specialized knowledge, and a collective awareness of being involved in a common enterprise (Barnett, 2005). The institutionalization of humanitarianism was largely driven by challenges to the emerging field’s legitimacy and effectiveness. Barnett gives the following evidence of the relevant processes: 1) rationalisation - development of methodologies for calculating results, adoption of abstract rules to guide standardized responses and procedures to improve efficiency, attempts to identify the best means to achieve specified ends. 2) bureaucratization - development of spheres of competence and rules to standardize
responses and to drive means-ends calculations. 3) professionalization - demands for actors with specific knowledge, vocational qualification that derived from specialized training, ability to follow fixed doctrine. In this article we will partially deal with these tendencies from organisational theories perspective and focus on the role of networks as described by Walter W. Powell within the humanitarian sector.

**NETWORK AS A CONCEPT – MORE THAN A METHAPHOR?**

According to Powell (1990), network is non-market and non-hierarchical mode of exchange, a particular form of collective action focusing not exclusively on transaction but equally and even more importantly on relationships, one in which the cooperation can be sustained over a long run as an effective arrangement creating incentives for learning and dissemination of information, a feasible means of utilising and enhancing intangible assets (knowledge, technological innovation). Devoid of the economic aspect, the network can be defined as an inter-organisational cooperation mechanism featuring rules, codes of conduct, behavioral patterns. Networks are defined by the interdependence of multiple organisations that show some structural stability but more characteristically go beyond formal established linkages (O’Toole, 1997: 45). It is also close to the concept of “a community of practice” (Roberts, 2010).

Network is not a foreign concept in the area of humanitarian aid. Humanitarian sector does comprise of dense networks of regularly interacting but loosely coupled organizations and organizational units, all involved in a common enterprise, and facing sometimes conflicting institutional, political, and technical pressures (Powell/DiMaggio, 1991). Actually the international development and humanitarian sector has long had a fascination with the idea of the network (Ramalingam, 2011: 1). Collinson (2011) states that networks of many different kinds play a very significant role in supporting, facilitating and structuring relationships and mutual or connected functions between the many diverse organizations within the system, resulting in complex, dispersed and often relatively fluid patterns and dynamics of networks-based governance operating at different levels across the sector.

**MARKET, NETWORK, HIERARCHY**

There is a proliferation of network-like arrangements and thus much confusion in the humanitarian aid sector about exactly how to distinguish networks from hierarchies. The rhetoric of the aid sector increasingly describes even the most hierarchical of organisations as if they were networks and many networks are treated as projects or organisations (Ramalingam, 2011: 5).

Network as a concept within organisational theories reflects the concept’s origins in the study of industrial sectors. In the Powell’s approach the network is a pattern of economic organisation. Humanitarian aid is not focused primarily on the economic exchange. Thus, on one hand, the applicability of Powell’s concept is probably slightly limited; on the other hand, it may be a ground for easier acceptance of the dissimilarity between a network, market and hierarchy. At the same time we must bear in mind that business and humanitarian sector become more and more entangled - it is marked by rising concerns with efficiency in getting “deliverables” to “clients”, participants increasingly worried about protecting their “brand” and referring to the field as an “industry,” a “business,” a “sector,” and an “enterprise.” (Barnett, 2005: 725) Private business
companies become thick on the ground; humanitarian aid market\textsuperscript{2} exists and openly offers business opportunities. As Sobel and Leeson (2007: 520) put it, following a disaster, there are two sides of a “market”: on one side there are “relief demanders” - individuals who desperately need disaster-relief supplies, on the other side, there are “relief suppliers” - individuals ready and willing to bring their supplies and expertise to bear in meeting the relief demanders’ needs. Today, humanitarianism has become a global enterprise.

The humanitarianism is characteristic for its moral implications. Approximation to a corporate culture may actually endanger its mission. Moreover, the humanitarian sector is marked by intense competition. The emergence of for-profit humanitarian organisations raises questions on the existence and desirability of new types of networks\textsuperscript{3} - among private commercial organisations themselves and between non-profit and for profit organisations.

**ORIGINS OF NETWORK FORMATION**

According to Powell (1990) in only a minority of instances the genesis of network forms is driven by a concern for minimising the transaction costs. In fact, many of the network arrangements lead to the increase in costs. Looking at the humanitarian field, economizing definitely is a concern of the governments that exert internal departmental pressure to reduce headcount and direct transaction costs (Collinson, 2011). But as Collinson (2011: 9) points out the international humanitarian assistance system is distinguished by the limited extent to which national governments exercise direct or explicit authority over it: “Governments themselves have generally not sought to exert broader direct influence or involvement in governance across the system on a level comparable with what has been seen in other related areas of transnational governance, such as human rights and international peacekeeping. The area of humanitarian aid is considered to be partially self-regulating transnational community.” This can be seen as a more significant motive as well as background context for networks formation.

Powell mentions further motives for network formation, such as an access to critical resources that is information. Information sharing is crucial for coordination of humanitarian action - networks serve as a platform for information sharing aimed at coordination and coordination offers further opportunities for information sharing. Sobel and Leeson (2007: 520) argue that (natural) disaster management is no different in regard to the efficient information generation than the coordination of individuals in "normal" economic contexts.

\textsuperscript{2}Hugo Slim wrote an interesting paper on the comparison of between the practice of marketing and the practice of humanitarian persuasion. He applies the principles of market regulated by conventional ingredients - price, product, place and promotion - to describe an effort of humanitarian workers who live by "selling" the humanitarian idea of restraint and compassion in war to ensure that their successful promotion will mean that many others live. If those who hold economic, social, political and military power in a war can be persuaded to “buy” the humanitarian norms and principles of international humanitarian law then civilians are more likely be protected than killed. Available at: http://www.hdcentre.org/uploads/tx_news/219-Marketing-Humanitarian-Space.pdf

\textsuperscript{3}As Collinson (2011) explains, although UN agencies and INGOs dominate the humanitarian sector in most situations of international humanitarian response, for profit corporate actors and corporate-backed foundations are playing a growing role in humanitarian and related activities in many contexts, particularly in areas of logistics, security and post-conflict recovery, reconstruction, and increasingly in humanitarian donorship. In Iraq, for example, 98% of US government reconstruction contracts have reportedly been awarded to commercial organizations rather than NGOs.
Humanitarian actors are further driven together by a sense of common enterprise - commitment to alleviate distant suffering - but since 1990s they also share a common concern "that the lack of coordination between themselves is leading to sub-optimal outcomes" (Barnett/Weiss, 2011). Humanitarian sector is being defined as an emerging transnational community. "In self-regulating transnational communities, various private and public actors concerned with a particular type of transnational activity come together, generally in non-structured and rather unformalized settings, to elaborate and agree on collective rules of the game. The process is one of voluntary and relatively informal negotiation; the emerging structural arrangements are relatively amorphous, fluid, and multifocal in nature. Self disciplining transnational communities tend to rely on voluntary compliance and socialization of the members into a common cognitive and normative framework" (Dobusch/Quack, 2008).

5 NETWORK AS A SOLUTION

Researchers in the field of humanitarianism mostly see inter-organisational cooperation as a response to the pressing requirement of coordination hampered by the complexity and suddenness of humanitarian crises as well as involvement of great variety of actors. Since there is a proliferation of actors the humanitarian aid field has been occupied with attempts to increase effectiveness and coordination, mostly looking for a leading actor such as a UN body involved in humanitarian action. None of them, however, was attributed this authoritative role, not even the UN OCHA. Its mandate explicitly highlights its role in “the coordination of humanitarian response, policy development and humanitarian advocacy” but in reality this role was contested since it does not enjoy command over other actors. Moreover, there is no clear evidence "of a UN agency actively promoting a certain preferred organizational form for conducting humanitarian aid policy, of a worldwide symbolic diffusion of a particular type of institutional design for humanitarian aid, or of EU politicians drawing on the UN example when deciding on the EU’s humanitarian aid architecture." (Versluys, 2006: 29)

No results of long-lasting efforts for appointment of centralised authority seem to play into other solutions. Despite the level of politicization of the humanitarian assistance, it seems that the humanitarianism is being governed not by states or international organisations but it is being governed by the humanitarian organisations themselves. The governance of humanitarian actors from many different states is occurring without state actors driving or controlling the process. Although the humanitarian field is regulated by a kind of "soft law"4, it has its influence on the actors it applies to.

A network is offered as a tempting solution to the question what structure the humanitarian organisations interact in. Stephenson and Schnitzer (2006)5 argue that

---

4E.g. universal operational standards (SPHERE) and treaties establishing common platforms are being signed (Global Humanitarian Platform).

5The information acquisition and exploitation to be the fundamental failures of government’s disaster-relief management. Centralized political decision making of governments is lacking the ability to generate the appropriate knowledge at each of the three critical disaster-management information stages: the recognition stage, needs assessment/allocation stage and the feedback/evaluation stage. Thus its involvement as a central planning authority is to the detriment of disaster management. They conclude that the government must be removed from disaster management to the same extent that it is removed from all other successful market activities.
instead of greater centralized authority, be it the government or inter-governmental organisation, the humanitarian aid system structure may be better conceived as consisting of a network of loosely coupled semi-autonomous organizations. Humanitarian field has no top-down hierarchy and norms are developed with each new crisis. Nancy Roberts (2010) who focuses on the humanitarianism from the human security perspective equally promotes the network as a solution stating that it holds the most promise for coordination when hierarchies are politically untenable and markets lack accountability.

6 TYPES OF NETWORKS

Let us engage in an attempt to categorise various sorts of networks in the humanitarian sector:

Depending on the territorial dimension there are global, regional, national, sectoral (e.g. ALNAP) and local networks. As a result of the profaning of the term, we can distinguish "named networks" (Ramalingam, 2011: 3) that may not in fact serve as such and "functional" networks that may not be named such but serve the objective. There are formal and informal networks. Membership in some networks is considered to be "appropriate" (e.g. Slovak Official Aid represented in the GHD Initiative), membership in other networks gives a considerable added value to the participants. There are dominant networks (global, high-profile and well-established) and "invisible" networks (institutions and associated networks such as family and community-based, local and national organizations networks that usually response first in case of humanitarian crises, usually not considered to be part of the international humanitarian sector). From the viewpoint of the network structure, we may differentiate between centralised and decentralised networks (Ramalingam 2011: 8).

As for the variety of network participants, there IGOs, NGOS, INGOS, government representatives and institutions, religious organisations, organisation with special international status (ICRC), for profit organisations, academia and individuals.

7 TRUST, KNOW-HOW AND DEMAND FOR SPEED

Collinson (2011) suggest the following points of differentiation: • Some sense of the network as an entity, either through articles of association or network agreements, • A clearly stated focus on a specific substantive set of issues and/or regions, • Articulated common goals and interests, • Regular communication processes and tangible knowledge products, • Some centralised or decentralised coordination mechanism (secretariat, managing committee), • A common workplan and, in some cases, operational budgets, • Formalised membership structures (individuals, projects, programmes, organisations, research institutions).


The following example may illustrate the situation: Jock Stirrat (2006) on tsunami disaster: “The immediate response to the disaster was very much Sri Lankan-led. Even though road and rail connections were very badly hit by the tsunami, individuals and groups of individuals from Colombo and inland almost immediately became involved in taking food, shelter and medical equipment to those directly affected. It seems that much of the immediate response was provided by what one might call ‘civil society’: government appears to have been relatively uninvolved and made little immediate effort to coordinate or manage a response to the disaster.”
Powell focuses on three factors which he considers to be critical components of networks - trust, know-how and demand for speed.

Trust
Trust is a facilitator of coordination and inter-organizational action in humanitarian field (Stephenson and Schnitzer, 2006). Several areas of difficulties related to trust can be identified:
- The more diversity, the less trust - there is a mistrust of the established non-profit providers towards the emerging group of private for profit organisations that leads to a discouragement in information sharing.
- Engagement of military in the humanitarian actions - interaction potential between the military and civilians is limited because of their mutual suspicions derived from a host of factors, such as a perceived lack of common goals and values between the military and civilian organizations, as well as the absence of a common task-related language for discourse. (Roberts, 2010: 214)
- Different hierarchy of values promoted by various organisations - e.g. a lack of trust among the Slovak humanitarian NGOs in case of a media campaign of the organisation Magna - Children at risk that broadcasted a touching video that targeted the feelings of sympathy in spectators but went in breach of ethical humanitarian principles. It is not easy to say whether the counter-campaign was only due to the breach of ethics or because of loosing on the competition for media salience and thus competition for resources.
- Lack of time or limited time for trust-building after the disaster strikes - thus, the pre-existent networks are crucial (e.g. such as those among core INGOs professionals)

In his article Powell asked what the specific attributes are that create circumstances in which collaboration is long-term and continuous. Empirical research based on interviews with veteran humanitarians on the state of cooperation among humanitarian actors in Kosovo revealed the following factors that help build trust: a clear common objective, multi-faceted view of reputation, organisation's mission and capacity for carrying out the mission, common organisational values, complementarity of competencies but also role equivalence (common technical background and skills), personal relationships (Stephenson and Schnitzer, 2006). The Powell's hypotheses that the reputation of a participant is the most visible signal of their reliability, that high probability of future association generates cooperation and the influence of one's personal social role were all confirmed.

Know-how
Humanitarian aid delivery combines the costly physical resources with skills and intellectual capital. In case of the latter the most critical asset are the individuals who are willing to exchange their knowledge and information. Participants must be strongly motivated to share information. As far as the know-how is concerned as a fundamental factor, it is applicable to sectors where the knowledge and skills do not lend themselves to either monopoly control or expropriation of the wealthiest bidder (Powell, 1990). In this sense the humanitarian sector is an appropriate example since neither one is dominant.\(^9\)

Obviously, the university setting is one that is perpetually stimulated by sharp intellectual exchanges. Network on Humanitarian Action (NOHA) is a great example of this statement. It is the first and most prominent network of universities at European level dealing with the development of Humanitarian Action Education. NOHA aims at greater professionalism among humanitarian workers through the provision of solid intellectual grounding and the development of sound concepts and principles that would in turn lead to "good practice".

\(^9\)In some cases, the governments may attempt to act as a "near-monopoly control of disaster relief" and a "clearing house" (Sobel/Leeson, 2007)
UN OCHA Symposium on Best Practices in Humanitarian Information Exchange held in 2002 recognized that considerable progress has been made to date in developing information systems and in establishing standards for their use. In particular, participants acknowledged the ReliefWeb, Integrated Regional Information Network (IRIN) and the Humanitarian Information Centre (HIC) models as successful examples. Apart from other key principles the Symposium participants agreed that the inclusiveness is one of the most important - Information management and exchange should be based on a system of collaboration, partnership and sharing with a high degree of participation and ownership by multiple stakeholders, especially representatives of the affected population. Successful information management systems encourage openness, inclusiveness and sharing which in turns strengthens relations and trust.

**Demand for speed**

As far as this factor is concerned, the humanitarian sector differs to economic one described by Powell but to some extent it is applicable. Demand for speed is a characteristic of humanitarian action itself. The promptness of response is crucial, not only in order to gain an advantage but equally due to the character of the situation - suddenness is part of most of definitions of disaster and in order to alleviate suffering the action must be prompt and as well coordinated as possible. In this regard the demand for speed and coordination is best satisfied by the use of networks. The 'lone wolfs' may cause more harm by omitting the needs, especially due to the lack of information. Predictability of needs is very tricky and networks may help adjust the response with better timing. According to Powell (1990), when the demand for speed is satisfied, networks are more adaptive and well-suited to coping with change. Perhaps, network in this regard is a response to Hayek's "knowledge problem" even though he was referring to the market. Hayek was of the opinion that "the economic problem of society is mainly one of rapid adaptation to changes in the particular circumstances of time and place". He suggested

---


11 Accessibility, Inter-operability, Accountability, Verifiability, Relevance, Objectivity, Humanity, Timeliness, Sustainability.

12 For example Jock Stirrat described a situations of tsunami in Sri Lanka as follows: In comparison with other types of disaster, the tsunami injured relatively few people, and there was not as great a need for specialized medical assistance (although it nevertheless arrived) as in many disasters. But as in many other natural disasters, the tsunami had a differential impact in terms of gender and age. Although there are no precise figures, anecdotal evidence indicates that the tsunami killed women rather than men, and children rather than adults. It appears that men were more able to run away or climb coconut trees and less involved in trying to save children and infants than were women. Regardless of why men rather than women should have been able to survive the tsunami, the result was that the agencies were often faced with male rather than female single parents, a situation which they appeared unprepared for. There were also relatively few orphans.
that "the ultimate decisions must be left to the people who are familiar with these circumstances, who know directly of the relevant changes and of the resources immediately available to meet them. We cannot expect that this problem will be solved by first communicating all this knowledge to a central board which, after integrating all knowledge, issues its orders. We must solve it by some form of decentralization." (1945: 524)

8 COLLABORATION VS. COMPETITION
As Powell suggests the tension between cooperation/collaboration and competition is an interesting research problem. Competition is frequently mentioned as characterizing disaster relief which is most unfortunate since it may compromise the effectiveness of operations in the field. Competitive environment is mostly caused by the fight for funding and donors to sustain the presence of humanitarians in the field and to obtain the most attractive projects\(^\text{13}\) so that donors who "feel a sense of ownership in the relief effort" (Stirrat, 2006: 13) are contented in return. Paradoxically, the competition rises also if resources that exceed the needs are to be deployed - donors expect their money to be spent on the disaster that triggered their feelings of compassion even though the collected funds could have been spent better elsewhere. Thus, the fight for territory, activity and local partners begins. Networks mangled with competition can be illustrated by the following reminiscences:

> In Colombo the major social centre patronized by these people was a bar known as 'The Cricketers'. On one level this became a clearing house for information and, it has to be said, a setting where informal forms of co-ordination were worked out and deals over territory made. But it was also the scene of reunions between people who had worked together in previous post-disaster situations and were now recreating the social networks through which future jobs could be ensured. Career paths and development become a matter of gaining a reputation and 'doing well' in the disaster business, and this involves successfully shifting relief materials both physical and financial. Again we are in a competitive milieu which whilst extolling the virtues of co-ordination and collaboration is at the same time based on individual self-interest (Stirrat, 2006: 16).

9 ORGANISATIONAL FIELD
Institutional theory emphasizes that organizations are open systems—strongly influenced by their environments. Organisations are embedded in an environment that is defined by a "culture that contains acceptable models, standards of action, goals, and logics of

\(^{13}\)Funding depends on not only being effective but being seen as effective.
appropriateness" (Barnett, 2005: 729). The environment contains the rules and requirements to which individual organizations must conform if they are to receive support and legitimacy from the environment (Meyer/Scott, 1983). Thus, they tend to model themselves after organizational forms that have legitimacy. Why particular models spread can be explained by DiMaggio and Powell's (1991) concept of isomorphism within organisational field. Organisational field is represented by those organizations that, "in the aggregate, constitute a recognized area of institutional life: key suppliers, resource and product consumers, regulatory agencies, and other organizations that produce similar services or products" (DiMaggio/Powell, 1991). When compared to networks of organizations that actually interact, the organisational field represent the totality of relevant actors.

Organisational fields are characteristic by a startling similarity of organisational forms and practices even though some fields are more inclined to homogeneity and others less14. Organisations become more similar without necessarily being more efficient. DiMaggio and Powell explain the process of homogenisation by three distinct mechanisms of institutional isomorphic change - coercive (regulative power of authoritative institutions), mimetic (imitation of culturally approved models) and normative (standardizing effects of professionalization). Dependency on donors, a normative environment, uncertainty in funds and operations, and the outstanding position of few highly prominent organizations are typical features of the humanitarian sector. Under such conditions, isomorphism is likely to be an important factor for the development of organizational structure and policies.

Coercive isomorphism "results from both formal and informal pressures exerted on organizations by other organizations upon which they are dependent and by cultural expectations in the society within which organizations function" (DiMaggio/Powell, 1991). The humanitarian field is marked by a significant influence and pressure from donors. Donor dependency is a strong coercive factor. "Humanitarian organizations do not survive by good intentions alone. They also need resources to fund their staff and programs; these resources are controlled by others. The willingness of others to fund organizations' humanitarian activities is contingent, in part, on their perceived legitimacy and whether they are viewed as acting according to the supporting community's values. (...) Sometimes donors use more subtle, indirect, methods, for example, by insisting that agencies submit to coordination mechanisms. Coordination can appear to be a technical exercise whose function is to improve the division of labour, increase specialization, and heighten efficiencies. Yet this coordination, like all governance activities, is a highly political exercise, defined by power" (Barnett, 2005: 731) Within the EU, the grants are attributed to organisations that were approved by the DG ECHO. The signature of the Framework Partnership Agreements by NGOs is conditional on compliance with a number of eligibility and suitability criteria, the assessment carried out to this extent by DG ECHO is solely aimed at assuring DG ECHO that its own rules and principles are respected15. The DG ECHO issues a list of its partners and aware of its influence it

---

14A research would be welcomed in order to verify the following hypothesis: In the initial stages of their life cycle, organizational fields display considerable diversity in approach and form. Once a field becomes well established, however, there is an inexorable push toward homogenization. (DiMaggio/Powell, 1991)

includes a disclaimer stating that the list should not be interpreted by third parties, in particular by other donors, as any kind of certification. I can imagine, however, that many humanitarian actors would wish to be like those organisations that received grants and funds. Donor dependency has its crucial negative impact - decrease in the adherence to the principle of impartiality, the fundamental principle of the humanitarian aid. Not those most in need get help but those that appeal to donors. Mimetic isomorphism is driven by uncertainty. Organisations model themselves after others that they believe are successful, prominent NGOs serve as models. Although Barnett highlights the two first mechanisms, given the dynamics of the professionalization in the humanitarian field, we believe the normative isomorphism is on the rise. The sector is typical for a lack of consistent humanitarian occupational standards but on the other hand, there are numerous examples of enthusiastic involvement of non-professionals having caused more harm than good. Today we see that it is possible to undertake a job in the humanitarian sector as a lifelong career. Thus, organisations and academia ask whether it is the time to create an internationally recognized humanitarian profession and put in place the coherent training and professional development structures that would normally be expected of an established profession. NOHA has been a model of inspiration for other quality networks in this respect.

CONCLUSION
Humanitarianism has for a long time been under theorised area of research in Europe and it equally lacks empirical data - academic endeavours are not comprehensive but scattered, and the area definitely deserves more attention of researchers. The current state of humanitarian education16 and research, however, promises much improvement. The research seems to indicate that while institutional and organisational theories are not commonplace in the area of humanitarian aid sector, given their wide and impressive applicability, they provide additional insights and help explain why humanitarianism developed to its present form. There is a need for more research in this area and several ideas come forward - e.g. knowledge gap related to the role of private actors and their networks, their influence on the development of humanitarianism; the network typology dimensions could be a further fertile ground as well as organisations' fight for territory, activity and local partners, in other words - a fight for organisational survival within networks placed over the priority of victims' survival. Hopefully, this piece of work has contributed to the body of humanitarian research.

REFERENCES

16Activities of universities that form part of NOHA or Geneva Centre for Education and Research in Humanitarian Action (CERAH) are the proof of it.


