Risk Factors for Capture in NGO-Multinational Partnerships: A Study of Lusaka

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ABSTRACT

NGOs and MNCs go into partnership for strategic benefits, fiscal resources for the NGO, and legitimacy and sustainability for the corporations. With the high proliferation of NGOs, there was increased competition for funding and consequently partnerships. However, despite the mutual benefits, NGOs remain at risk of capture posed by the partnership due to the need for financial resources. Therefore, a survey was conducted to determine what observable evidence put an NGO at risk of organizational capture by an MNC in Lusaka. The survey was conducted on NGOs in Lusaka, owing to 64% of NGOs being based in Lusaka. Interviews were conducted with NGOs that were purposefully selected as those that were in partnership with MNCs in Lusaka. Despite over 1,500 NGOs being registered in Zambia, there was little data on which ones were in partnership with an MNC or what industry sector they operated in, based on the electronic data that was available to the public for the research. Interviews were conducted using structured interview guides and electronic one-on-one interviews. Data was collected using NVivo data analysis software and analysed using thematic analysis. The data analyzed showed that NGOs were at risk of financial capture owing to weak governance structures and a lack of sustainable partnerships. The partnerships needed strategic sustainability practices to strengthen the partnership. There was a need for the government to institute policies and regulations that protect NGOs and monitor for capture.

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INTRODUCTION

Non-Governmental Organisations (NGOs) played a critical role in the development of government policies in both developed and developing countries, to mitigate corporate misconduct, government corruption, environmental abuse, human rights violations, and conflicts over natural resources, among others. NGOs worked as either supportive or coercive agents to help foster the implementation of sustainable corporate operations. (Faroque, 2022). Păceşilă (2020) stated that NGOs should have alliances with business entities to find solutions to society's problems and even put pressure on companies to adopt socially responsible behaviour. NGOs could reinforce their social role in meeting social needs and fighting social inequalities, as they are not companies and hence do not aim to make a profit but are socially responsible.

Corporate Social Responsibility (CSR) initiatives were important for businesses to build their corporate reputation. Business Executives from multinational organisations understood that to contribute to environmental sustainability and good social welfare, and to be a good corporate citizen, a firm needed to embed sound corporate governance within their operations as this strengthens their competitive advantage. Good corporate governance considered aspects of equity, transparency, and ethical practices, which were of interest to society and stakeholders of the business, and which built the desired corporate reputation. (Sánchez-Torné, 2020).

Several scholars studied the motives and demerits of NGOs and multinational partnerships. Poret (2019) described the risks NGOs faced in going into alliances with multinationals. NGO capture is one of the risks that the partnership brought about. This study, therefore, sought to gather experiential evidence of "NGO capture" through surveying NGO-multinational partnerships.

RESEARCH OBJECTIVES

- To identify what types of organizational capture an NGO is exposed to in a partnership with a multinational corporation in Lusaka.
- To establish factors that put NGOs at risk of organizational capture by multinational corporations in Lusaka.
- To explore the effects of capture by multinational corporations on the sustainability of an NGO in Lusaka.

The interviews were limited to the opinions of the interviewees, and no written evidence was used to verify the responses of the participants. The study was conducted over two months between January and March 2025.

METHODOLOGY

The researcher took an Interpretivist epistemology view aimed at understanding the motivation that caused NGO capture in relation to people's perceptions, values, culture, and interaction. Existing and observable data and analysis were reviewed to understand the singularity behind the obtaining scenario between NGOs and MNCs.

Purposive sampling was used for data collection and analysis.

15 Respondents who had direct interaction with the project such as the project manager, accountant, program officer, and strategic information officer. were purposefully and conveniently selected from NGOs that had gone into partnership with MNCs. Interviews were conducted with agencies of the Ministry of Health, Education and Mining. A total of thirteen participants were interviewed through

structured one-on-one interviews (Sikalumbi, 2023). The respondents were offered options for face-to-face, telephone, or electronic interviews.

LITERATURE REVIEW

Types of Organisational Capture

Organisational capture was reviewed through the lens of non-materialist and materialist theories. Non-materialist capture, also referred to as cultural or cognitive capture, was where regulators were captured administratively and swayed to think in the interests of interest groups. Examples were observed in the financial sector where regulations were revised to allow, for instance, banks to enter the securities market (Baker, 2010). On the other hand, materialist capture looked at financial aspects like jobs and incentives (Baxter, 2011). The types of capture discussed took both non-materialist and materialist views and discussed them as regulatory and legitimate capture, lobbying, and revolving door (Sikalumbi, 2022).

Regulatory Capture

Regulatory capture is a phenomenon where the agency responsible for oversight of an industry is controlled by an industry player. This may go beyond the agent and involve government systems and politics. Regulatory capture was, therefore, also referred to as “agency capture,” as public agencies that were entrusted to look out for public interest put those of industry players first to meet selfish interests (Oxford University Press, 2024).
Allen (2022), referencing Lacy-Nichols and Williams’ work in the food industry, argued that regulatory capture influence hinged on three ideologies. The first was, to control the regulatory environment in the agents’ favour, stimulate relationships with reliable collaborators to boost integrity and silence critics, and lastly, manipulate rules to overlook areas of infringement for example, instead of changing the product, components of it are what was changed.
In the tobacco industry, for example, capture was propagated by advocacy groups and led to the abrogation of tobacco control policies and caused harm. (Weiss, 2023).

Legitimacy Capture

Legitimacy was defined in the political discourse of governance, as how organisations were designed with the knowledge of stakeholders to whom they should be fully accountable. It included democracy and furtherance of the interests of those that are affected by the organizational functions. (Hilbrich, 2021). Legitimacy asserted good governance by reducing corruption and enhancing economic growth because society was likely to support government policies if they were seen to improve social determinants. However, legitimacy was based on the elites meeting their interest above that of society. It would be shrouded in propaganda and patriotism (Arif, 2024).

Lobbying

Lobbying was a part of democracy and allowed society to inform the government on matters that affected society. The government needed to be consultative when crafting laws and policies as they affected the people whom they govern (Bombardini, 2020). However, when unregulated, lobbying had a risk of devolving into corruption arising from interest group influence that could be mitigated by among others, lobby registers (De Francesco, 2020). Mayer (2007) indicated that lobbying had the potential to undermine democracy. For example, lobbying and lobbyists had to be restricted to limit interactions with politicians because the lobbyists could sway government regulation and policies in their interest.

Revolving Door

A revolving door was a situation where a regulator in a bureaucratic position returned to work in a field that they once regulated. This was done by building bureaucratic capital where they assumed a favourable relationship with their probable future employer. The regulators, therefore, instituted regulations and made decisions that were in favour of the industry player to assert themselves as an ally. The revolving door would manifest as an abuse of power or agency capture in that the regulator would use their position to sway policy in a way that favours the industry player, with whom the regulator had a personal interest. The industry player would influence the system in its favour, by manipulating the self-interest of the regulator and in turn, controlling the decisions that were made by the regulator (Brezis, 2024).
Despite the benefits associated with revolving doors, such as increased expertise, higher output, and reduced attrition, there were risks associated with revolving doors. Risks included regulatory capture, relaxed regulation by government enforcers, pro-corporate bias, and unconscious bias towards a given sector. Recently, revolving doors have evolved to environmental sustainability as advocacy has taken over from the government to enforce environmental issues (Vandenbergh, 2019).

NGO Capture

According to the Zambian Non-Governmental Organisations (Amendment) Act No. 13 of 2020, an NGO was "… a private, voluntary grouping of individuals, or associations - whether corporate or incorporated, not established or operated for profit, for partisan politics, or any commercial purposes, who or which have organized themselves for the promotion of civic education, advocacy, human rights protection, social welfare development, charity, research or other activity or program, for the benefit or interest of the public, through resources mobilized from sources within or outside Zambia."
The United States of America, Department of State (2021), defined a non-governmental organization as a not-for-profit entity that functioned outside government control but was eligible for government funding. Its leading role was that of social justice and functioned in the areas of health, gender rights, education, water and sanitation, and advocacy.
NGO capture within organizations occurred in several ways and commonly bordered on the control of funds. A common example was elite capture for community-driven initiatives. Community-driven initiatives were meant to equip the community to have control over project funds but often succumbed to elite capture, where the elites within a given society used their political and economic influence to assume the benefits from the community and took over control of public goods (Kusumawati & Visser, 2016; Sikalumbi, 2021).
There was considerable risk for collusion within community structures. This was closely related to the underdeveloped governance structures at these levels. Hence, funders were reluctant to surrender control to local structures for development projects. Challenges were observed in monetary management and the community's understanding of development. Elite capture was therefore justified by those perpetuating it (Kusumawati & Visser, 2016; Ward et al., 2018).
Implementers of projects did not identify problems with elite capture owing to historical predispositions of power dynamics, social power that perpetuated

structures of dominance and distorts one's belief ((Shapland, 2022).

Saltelli (2022), defined NGO capture as a type of regulatory capture where the industry experts took over regulatory agencies for the furtherance of their interests. This could affect state function even in areas of taxation, monetary policy, and legislation. Scientists being reservoirs of knowledge, manipulated the processes to advance their interests. Based on an analysis of five case studies conducted from 2009 to 2019, an investigation was done on how information, knowledge, and science were pivotal in reframing regulatory approaches and strategies. Despite private interests having influenced science-based forms of societal pressure and control, this penetration was not a form of traditional regulatory capture. Instead, agency theory relationships, knowledge, and power asymmetry were elements that took center stage (Abudetse, 2025).

Motivations of NGO and MNC partnerships

MNCs and NGOs were motivated to partner because of societal expectations of both entities to demonstrate sustainable and socially responsible behavior. NGOs aimed to meet societal expectations of environmental and social problems, while MNCs sought profit maximization as the stakeholders' only interest. (Liu S. Y., 2020).

NGOs played a significant role in the sustainability of practices needed to enhance the environmental and social stability of MNCs. The high influence of MNCs and the partnership with NGOs could bring about a radical change in power and influence for transparency and accountability. MNC's primary interest was profit maximisation hence they required NGOs to partner with governments to drive policy design and elevate their voice for advocacy to strengthen good governance for minority groups and decisions affecting the future. NGOs needed government support with financing, and policy enablers to facilitate NGO work (Ceesay, 2020). Beyond stakeholder reputation, NGOs built liability for foreignness, for MNCs, to be accepted within the societies they operated in. MNCs targeted strategic fit and familiarity and where these closely aligned, there was increased resource exchange including financing and information. Political leaders resisted misuse of power and behaved in a manner by law, commonly referred to as institutional forbearance (Sikalumbi, 2021). An example of a success story was that of Venezuela, with the world's largest oil deposits, which were used to invest realized resources into social amenities with a positive outlook lasting five years, from 2003 – 2008. However, increased public confidence resulted in corruption and devolved to authoritarian rule to consolidate power (Levitsky, 2024).

DISCUSSIONS AND FINDINGS

Demographic characteristics of the respondents

Twelve out of the fifteen targeted respondents were interviewed, accounting for 80% of all respondents (Weyant, 2022; Squire, 2023). The demographics for the respondents for this research included a) type of institution; b) industry sector for the institution; c) duration of the NGO/MNC partnership; d)Gender of the respondent; e)Age of the respondent; and f) level of education of the respondent (Klimczuk, 2021).

Table 4. 1: Institution Type & Sector

	Education	Health	Mining	Total
Business Entity			1	1
Government Ministry	1	3		4
NGO	1	6		7
Grand Total	2	9	1	12

The type and sector of the institutions from which respondents worked are shown in Table 4.1 (Hughes, 2017). From the data collected, the majority, 58% (7) of the respondents worked for NGOs, 33% (4) worked for government ministries, and 8% (1) worked for a business entity implementing a CSR initiative (MCDSS, (2021), Of the twelve respondents, 75% (9) were in the health sector, 17% (2) in education and 8% (1) from the business sector.

Table 4. 2: Age and SEX OF Respondents

	18 - 24 years	25 - 54 years	>60 years
Female	0	6	0
Male	0	6	0
Grand Total	0	12	0

Table 4.2. showed the age of the respondents. These were disaggregated according to four age groups considered against employment (Organisation for Economic Co-operation and Development, 2025). All the respondents were in the prime of their work life and the working age range of 25 – 54 years old. The ratio of male to female respondents was fifty-fifty, which provided a balanced account of the responses obtained from the interviews. However, this proportion was different from that of the Zambia Survey Labour Report (2023), which pegged women at 28.7% and men at 43.8%.

Table 4. 3: Level of Education for respondents

Degree	2
Masters	9
PHD	1
Total	12

Most of the respondents, 75% (9) were Masters holders, 17% (2) were Degree holders and 8% (1) was a PhD holder (Connelly, 2016).

Table 4. 4: Duration NGO has been in partnership with another organization

Number of Years	How long has your institution been in partnership with another organization?
over 50 years	1
over 27 years	1
over 20 years	1
over 16 years	1
15 years	1
13 years	1
11 years	1
10 years	1
4 years	1
2 years	2
Many years	1
Grand Total	**12**

All respondents worked for organizations that had been in partnership for longer than two years, with the longest being reported at 50 years and the least at two years. The average years in partnership for all organizations was a median of fourteen years, with five (42%) of the institutions being in partnership for longer than fourteen years. The majority (67%) of the respondents were from organizations that had been in partnership for longer than 10 years, while 17% had been in partnership for a shorter period. Therefore, the majority demonstrated resilience in their partnerships with businesses and were able to adequately contribute to the research findings (Taylor, 2023).

Sustainability Beyond the Non-Government Organisations and Multi-National Enterprise Partnership

NGO sustainability depended on three significant aspects; a diversified funding portfolio of both local and international donors; strong leadership and employee management; and active community participation and preference to create an enabling environment (Gul, 2023).

The research findings reviewed showed that NGOs needed to be formally established as NGOs with strong governance systems and have income-generating ventures, mostly through real estate. One of the respondents said:

"*It can sustain its operations to some extent because it was established by an act of parliament*."

While the other one said:

"*The Organization will only survive on its buildings which can be put on rent and finance its activities*."

The findings did not account for how the resources would be realized. However, it was evident from the research that most NGOs, had infrastructure that they regarded as capital for investment (Sikalumbi, 2025). Strategic alliances between NGOs and MNCs should be based on synergies beyond financial sustainability and the business to build internal systems that accommodate the NGO. (Ménascé, 2016). The research findings showed that to withstand the organisational capture, NGOs should establish partnerships that have strong policies, including whistle-blowers and impact evaluation tools. The partnership should aim to strengthen the weaknesses of NGOs and close these gaps. One respondent said:

"Having a partnership strategy clearly outlining strengths and gaps that will require external partnerships to address the weaknesses e.g. finances, academic skills, already existing infrastructure suitable to carry out planned activities, etc. Having an MOU or agreement of cooperation outlining clear roles and responsibilities of each party, expectations and KPIs."

The respondents understood the impact of NGO capture as undermining the operations of the NGO and leading to failure to achieve the NGO's organisational objectives. One respondent said:

"*This can undermine the organization's independence, credibility, and effectiveness, often leading to misalignment with the needs of its intended beneficiaries.*"

The respondents said that to ensure sustainability, the NGOs needed to have multiple funding streams and strengthen their engagement with the government, community, and other partners which was supported by the findings of Gul (2023).

The research strategies identified in this research were limited to recommendations made by other scholars. Ceesay (2020) went further to explain that partnerships needed to be with relevant stakeholders to advance sustainability practices and participate in policy development. He was of the view that NGOs need more non-managerial stakeholders that could affect. ct the social fabric (Sikalumbi & Situmba, 2019). Faroque (2022) added that NGO structures needed to change to accommodate sustainable development concepts. NGOs needed to expand to other industries that affect social, economic, and environmental issues for enhanced CSR collaborations between NGOs and MNCs. Furthermore, sustainable operations need to be advertised for value propositions that influence the corporate image, and proof of the benefits of partnership. shared goals and complementarity of resources.

CONCLUSION

Factors that placed NGOs at risk of capture were weak governance structures: lack of capacity to manage funds, lack of requisite skills, lack of partnership agreements, and unclear partnership objectives. The research findings showed that for NGO operations to be continual, there was a need to venture into activities that would sustain the organisation, put in measures to identify capture, and plan on how to prevent it. This could be done by permanently establishing an NGO, such as through an act of parliament. Nonetheless, NGOs needed to raise revenue to survive. This could be done by utilizing existing resources such as rental income from buildings owned by the NGO. The organisational infrastructure as a resource should be coupled with multiple funding streams.

NGOs could strengthen their position to withstand capture by establishing strong policies. The partnership agreements should include capacity aspects such as financing, skills development, and infrastructure suitable for planned activities. The agreements should specify key performance indicators, roles and responsibilities, and levels of cooperation. The impact of capture, the governance systems and agreements put in place should have a monitoring system to survey for any markers of capture (Gul, 2023; Faroque, 2022).

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