Civil Society Engagement in Asia:

Six Country Profiles

Japan

South Korea

The Philippines

Indonesia

India

Thailand

Prepared by
Cameron Lowry
Research Assistant for the
Asia Pacific Governance and Democracy Initiative
(AGDI)

East-West Center, Honolulu
July 14 – 16, 2008

Table of Contents

Introduction

Social networks are widely believed to play a different and more prominent role in Asian societies, especially those with a Confucian heritage, than in Western states, particularly Western states with mature capitalist economies, liberal democratic political systems with robust civil societies, and well developed legal systems characterized by rule of law and a modern bureaucratic administrative system. Civil societies in Asian countries, however, are highly diverse in composition, resource endowment, and goals.

To understand the dynamics of civil society engagement, there needs to be an analysis of 5-6 variables:

1. The context specific history and pattern of growth of civil society organizations (CSOs),
2. The legal framework under which CSOs are established,
3. The capacity of CSOs to deliver on their mission,
4. Their upward and downward accountability of CSOs,
5. The CSOs' role in democratic change, and where illuminating
6. The stage of political development of the respective country.

The history of civil society engagement and the pattern of growth are both necessary to ground this type of analysis. The history of civil society engagement in a country reveals the evolution CSOs, conditions under which they were formed, the relationship between state and civil society, and the modes in which civil society groups have been active (watchdog, advocacy, etc.). The corresponding pattern of growth is crucial to understanding civil society engagement dynamics, for example, why Thai CSOs are both highly reactive to the changes in the political/social climate and ephemeral. The history and pattern of growth also explains the unique typology of civil society in each country. In India, for example, it is rather difficult to bring the entire gamut of civil society initiatives under common definitions and characterizations that could be applied in other countries, as every known terminology seems to leave out some elements out of their coverage. This definitional complexity also highlights what makes the Indian civil society vibrant, similar to Thailand, as innumerable ad-hoc initiatives disappear as quickly as they coalesce.

The legal basis for CSO formation and the legal framework in which civil society operates is perhaps the key dynamic between state and civil society. Through these mechanisms the state can somewhat dictate the rate of CSO formation and in what sectors, both directly through permissive or harsh standards for formal recognition of organization and the associated direct financial support, tax benefits or other costs. The Japanese case is revealing of the importance of the legal climate, as one would expect a flourishing Japanese civil society as Japan ranks highly on the two most reliable predictors of the level of development of a nation's civil society; income and education. However, Japan has perhaps the most severe regulatory environment in the developed world and an accordingly anemic civil society with respect to the ability to affect

democratic processes. Likewise, there are huge disparities in the counts of registered/unregistered civil society organizations in South Korea as the minor incentives of registration are offset by the increases in regulatory oversight.

The capacity of civil society organizations is important as a distinct area of analysis as the means to not only drive the reforms/change that are ascribed to the sector, but sustain them as well. Civil society organizational capacity is inexorably linked with issues of the means of financial support, and in contexts such as Bangladesh, Pakistan, Indonesia and Thailand, where CSOs appear largely dependent on international funding for sustained action, sustainability is too dependent on international funding priorities remaining constant. Such instances are particularly important from a research perspective as they allow us to highlight systemic weaknesses such as the lack of financial sustainability of much of the Filipino civil society organizations, but also identify specific points where funding can be channeled as leverage points for future action.

Upward accountability of CSOs to the government and downward accountability to the communities they serve have emerged as important issues in civil society engagement in the region. Unlike (well-functioning) governments, it is argued that CSOs lack clear and enforceable rules governing the ways in which officials relate to their beneficiaries. This performance accountability issue has played out visibly in countries such as the Philippines, although it should be noted that Filipino CSOs have made tremendous progress in NGO self-regulation. Exacerbating such issues, CSOs are often highly dependent on international donors whose program priorities can overlook or undermine the needs and aspirations of their intended beneficiaries. For all of these reasons, it is feared the gap between local priorities and NGO accountability can be wide. Innovative self-evaluation, such as undertaken by the Wildlife Fund Thailand (WFT), a Thai NGO that originated as a domestic wing of the World Wide Fund for Nature (WWF), can help bridge this divide and be instructive for good practice across the region.

The fact that civil society organizations play a pivotal role in democratic change is one of the premises upon which this project hinges, and it has been actualized throughout the region. From the "People Power" demonstrations in the Philippines and the direct and indirect role of citizen groups in the shaping of cotemporary Indonesian democracy, to the South Korean CSOs who announced a list of candidates that were viable and non-viable as parliamentarians, CSOs are often the democratic vanguard and a key intermediary between citizens and the state. The Centre for Policy Dialogue in Bangladesh, for example, provides a forum for dialogue and discussions on governance and development issues among the governance stakeholders from the government, the private sector, civil society and the academic community.

All of the previous factors can be seen as essential to the problematic of CSOs role in democratic change. The stage of political development as it impacts the role of CSOs, becomes a distinct sub-thrust of this focus. The stage of political development often determines the access of citizens to political institutions and in turn the need for CSOs as intermediaries or rallying points for mobilization against the state. Like the history of CSO growth, the stage of political development is key context for framing contemporary

patterns of engagement between the state and civil society. They are intertwined, as is the case in India where the perceived unresponsiveness of the civil service has encouraged the Indian public to mobilize through nongovernmental organizations and social movements.

Civil Society Engagement in Japan

There has been an explosion of transnational NGOs in Japan in the last two decades as demonstrated by their growth in numbers and size and their increased interaction with and influence over state policy. Some even argue that the growing NGO movement reflects a changing relationship between the state and civil society in Japan. As the authority of the Japanese developmental state has begun to crumble, it could be argued that the relationship between the state and civil society has become more horizontal. However, this shift has not impacted the domestic civil society scene to the same extent. In fact, the old hierarchical paradigm of the state shaping civil society is very much in place with respect to domestic civil society organizations, which are the focus of this study. This relationship will form the bulk of this examination.

The Japanese context is significant for a number of reasons. Not the least of which, as alluded to by Pekkanen[1], is that the case of civil society engagement in Japan is uniquely situated to explore the tension between scholars who contend that civil society contributes to the performance of democracies (Putnam 1993; 2000) largely by producing social capital and those that suggest that civil society undermines democracy (Skocpol 1999) by the polarization of the political sphere through a fertile climate for advocacy groups. While this remains an avenue for further research beyond the scope of this review, it does frame the need for scholarship in this field. What is the purvey of this review, and perhaps the most striking aspect of Japan's civil society, is its dual structure in that there are a multitude of small local groups and a paucity of large professional groups.

From an international perspective the Japanese civil society landscape, particularly their lack of large civil society groups, is surprising. Japan ranks highly on the two most reliable predictors of the level of development of a nation's civil society; income and education. Anecdotally, Japan is also seen as a country rich in social capital, with a history of civic activism. Why then does Japan have such a unique pattern of civil society development? The answer, which should not be surprising to observers of this field, lies in the relationship of civil society to the state. Political institutions, including the regulatory framework constructed by the State, indirectly and directly structure the development of civil society. However, the degree with which the state constrains and shapes civil society in Japan is notable. This relationship will be explored as it impacts the number and pattern of growth of civil society organizations, the role of civil society organizations in promoting a democratic agenda in Japan, and the capacity and accountability of such organizations.

Regulatory Framework

The regulatory framework has a direct influence on civil society organizations. Such direct actions that impact an organization's viability include regulation of a group's legal

---

[1] Alagappa, Muthiath (eds.) Japan. Social Capital Without Advocacy in Civil Society and Political Change in Asia. Stanford University Press : Stanford, 2004

status or activities, direct financial flows, and tax benefits. Japan has managed their CSOs (the Japanese refer to NPOs which are the term for domestically active groups) with perhaps the most severe regulatory environment in the developed world (Amemiya 1999; Salamon 1997; Yamaoka 1999). Rather than defining Nonprofits technically, as in the US, Japanese law imposes a category of "public interest legal persons" (PILP). This begs the question of who decides what is in the public interest. Surprisingly, in Japan the bureaucracy has a legal monopoly on this decision and cannot be legally challenged on this determination (Pekkanen 2006).[2] Furthermore, Japanese law stipulates that public interest legal person groups can acquire legal status only through the explicit permission of the relevant bureaucratic authority, and grants this authority continuing powers of supervision and administrative guidance. In Japan, these factors combine to sap the vitality of the civil society sector and is one of the essential elements that drive the pattern of civil society development shown in Japan.

Those groups that are denied legal status or do not pursue legal status for one reason or another face significant and undeniable hurdles in terms of operations. Conversely, just as it is difficult for independent organizations to grow large in Japan, it is difficult for large groups to remain independent. The mechanics of this pattern can be traced to an institutional arrangement that places significant monitoring (reporting and investigating) and sanctioning powers (various punishments including dissolution of the group) in the hands of a single bureaucratic ministry or agency. Even in the abstract it is easy to see that if a single agency grants a group permission to form, monitors it, has the ability to punish it, and can even dissolve the group entirely, often without significant legal hurdles, that agency holds considerable power over the group. Furthermore, the tax incentives are not as generous as in other industrialized democracies. The accounting and finance reporting requirements are considered onerous and often hamper CSOs from applying for legal status. Citizen groups may value independence, but the de facto price of gaining legal status is an agreement to employ ex-bureaucrats of the approving ministry[3].

Accordingly, groups that do register (incorporate) are allied closely with the state in ways that go beyond even the mechanisms previously mentioned. According to Baron (1997), approximately 20 percent of incorporated organizations in Japan were established by state agencies to carry out state-initiated activities. Many incorporated organizations not only receive state funding, but also receive corporate funding intended to be used for state-related activities. However, it is important to note that examples of incorporated associations strongly influenced by the state include agricultural and vocational training organizations, such that while on the surface the statistic would seem to dampen the perception of Japanese civil society as a viable, independent counter-balance to state dominated politics, this is not truly the case.

---

[2] This strict regulation is based primarily on Article 34 of the Uniform Civil Code promulgated in 1896 (Menju and Aoki 1995)
[3] The practice of retiring bureaucrats being placed on the staff of the NPOs they once administered over is referred to as *amakudari* (descending from heaven). This practice obviously complicates any determination of an NPO being "voluntary" and "self-governing", two hallmarks of the CSO field.

How this Regulatory Framework Shapes the Pattern of Growth

A strict legal framework, limited funding pattern, indirect regulations, and the profile of opportunities that a state's political structure creates for influencing policy—all these factors profoundly affect the development of civil society in Japan. Japan's civil society supports democracy through social capital generation and community building, but largely lacks the sizeable professional groups that influence the public sphere or policymaking. Benefits do accrue from the constellation of small organizations. Small local groups can help build stocks of social capital and perhaps improve the performance of local governments. They form a crucial basis for social life, but almost always lack a professional staff. This lack of a professionalized staff is a ubiquitous institutional constraint in that a group that has a core of full-time employees can develop expertise and perhaps influence policy in a manner that is impossible for a small group without such staff. "Professionalized" civil society organizations can institutionalize social movements, influence policy and policy outcomes and in turn can impact the political landscape. Also, due to their low level of professionalization, including a lack of researchers or media outreach specialists, Japanese civil society groups seldom influence the public sphere compared with groups from other countries. It is important to note that this is not a value judgment on the Japanese configuration of civil society as the pattern of small civil society organizations sustains democracy through other means.

Another key issue is what is the political opportunity structure facing civil society groups in Japan that seek to influence politics? The bureaucracy appears relatively insulated from lobbying such that close coordination with ministries appears more significant than mass membership (Richardson 1997). Along these lines Skocpol argues that the increase in congressional staffers over the decades in the US has meant more points for insertion for lobbying groups (Skocpol 1998). By comparison, Japan's parliamentary system provides only three staffers for each Diet member, compared to 26 for each US senator. Coupled with the absence of a president to lobby, Japan's political opportunity structure is not amenable to those CSOs seeking to promote a democratic agenda. Correspondingly, the capacity of domestic CSOs in pursuing a democratic agenda is anemic at best.

Recent Reforms

However, as the political environment and the regulatory environment are inexorably linked, a shift in the former has brought about a slightly more open climate for the latter. Two recent legal changes have improved the legal environment for CSOs: the 1998 NPO Law (Law for the Promotion of Specified Non-profit Activities) and the granting of tax privileges in 2001 (in the Fiscal Year 2001 Tax Reform). The 1998 NPO Law created a new category of PILP [4] and was designed to limit administrative guidance and bureaucratic discretion in the granting of legal status while allowing more civil society groups to gain legal status. The new legislation substantially simplified the incorporation process of nonprofit and nongovernmental organizations (NPOs and NGOs). Normally, the incorporation process for NPOs under Article 34 of the Civil Code required approval

---

[4] Technically through a special law attached to Article 34 of the Uniform Civil Code

by "competent authorities," namely, government agencies with jurisdiction over the area of activities of the NPO in question. Approval is given at the discretion of the competent authorities without regard to objective criteria, and no application is accepted unless the proposed corporation has approximately 300 million yen (approximately $3 million) in assets. The cumbersome application process can easily take one year.

Under the new legislation, NPOs can be incorporated without the approval process, and the governor of the prefecture where the proposed corporations are located (or the Economic Planning Agency in the case of NPOs with offices in at least two prefectures) is required to authenticate establishment of such organizations if they conform with the provisions set forth in the new legislation. The incorporation process will be much quicker under the new legislation because the granting authorities must decide on the certification within two months immediately succeeding the two-month period of public announcement. There is no requirement in the incorporation process for the holding of assets.

There is some evidence that administrative guidance continues, and a survey of the 1,034 groups granted NPO legal person status by November 1999 (to which 463 responded) found only 5.2 percent were "satisfied" with the law. On the other hand, by 2004 there were 16,000 new NPO legal persons in Japan, and this in itself is *prima facie* evidence of the importance of liberalizing regulations for the growth of civil society in Japan and thus, by extension, evidence of the importance of a regulatory frameworks in shaping civil society. Also of note is the fact that the 1998 NPO Law was the first substantial change in the regulatory framework for civil society in the last century. It is unclear what this flurry of reform may mean in terms of future scope and pace of change.

A New Legal Framework

Three new laws to reform the current public interest corporation system passed the Diet on June 2, 2006, amending the much-debated 1896 Civil Code that provides its legal basis. The category of public interest corporations covers roughly 25,000 of Japan's largest and most established nonprofits, including organizations such as Amnesty International Japan, the Japan Sumo Association, and the Toyota Foundation. Under the new legal system, starting in December 2008 nonprofit organizations will no longer need to operate on the basis of authorization from the government ministry or agency with jurisdiction over their field of activities. Instead, the current authorization system will be replaced by a system whereby nonprofits seeking incorporation simply register with the Prime Minister's Cabinet Office (or their local prefectural government if their activities take place solely within one prefecture). Upon registering, organizations will have status as "general incorporated associations" (*ippan shadan hojin*) or "general incorporated foundations" (*ippan zaidan hojin*). In addition to existing nonprofits, any organization, regardless of whether it has a charitable purpose, will be allowed to file for this legal designation as long as it can claim not to operate in the pursuit of profit. This means that this category will likely end up including organizations with three general purposes: 1) organizations that operate in the general public interest; 2) ones that benefit a specified

class of people, such as alumni organizations and professional associations; and 3) organizations that benefit private entities, potentially including ones controlled by companies or wealthy individuals and used like trusts to safeguard and transfer assets.

The next step for nonprofits that wish to obtain preferential treatment, including tax benefits that will be determined in the next few years, will be to seek authorization from "competent authorities" confirming that they serve the public interest. If they receive this authorization, they will be recognized as "public interest incorporated associations" (*koeki shadan hojin*) or "public interest incorporated foundations" (*koeki zaidan hojin*) and become eligible to receive tax-deductible contributions from corporations and individuals just as some of the current public interest corporations already do. (Fewer than 1,000 of Japan's 25,000 public interest corporations have succeeded in obtaining the special designation that allows them to accept tax-deductible contributions.)

Determining the Public Interest

One question hanging over the nonprofit sector concerns the nature of the "competent authority" that will authorize public interest status, and this boils down to the issue of how much control government bureaucrats will ultimately have in deciding what the public good is and which organizations are allowed to promote it. In 2004, a private sector advisory council convened by the minister of administrative reform recommended the creation of a new, independent entity to play this role, but the law eventually submitted by the government instead mandated the creation of a Public Interest Corporation Commission[5] *(koeki nintei tou iinka*i) under the jurisdiction of the Cabinet Office to serve as the competent authority. Since its inception, the commission has been meeting weekly to discuss the various aspects of the new legal system, focusing on how the regulations should be created consistent with the new law, what the requirements should be for "public interest" status, and how the authorization process will work. The members of the commission have been carefully selected and include professionals from the business world, academia, and the nonprofit sector, but the secretariat that supports the commission is made up of 30 bureaucrats from different government ministries and agencies and their numbers will eventually rise to 70. Because the secretariat plays a critical role in directing the activities of the commission, compiling and translating the various opinions of the commission members into policy, and, most importantly, reporting to the government, the way that the secretariat is structured troubles some civil society experts.

There are both skeptics and optimists among the nonprofit experts and practitioners following these reforms. For example, while lauding the intent of the reforms, the Japan Association of Charitable Organizations, the main organization representing public interest corporations, has criticized the idea of lumping charitable and non charitable

---

[5] In April 2007, the Cabinet Office established this commission, which is ostensibly modeled on the United Kingdom's Charity Commission. Seven members were appointed to serve on it, mostly on a part-time basis, and they are experts in diverse fields: law, accounting, business, health and welfare, arts and culture, and the nonprofit sector.

organizations together as "general incorporated associations" due to fears that this will eventually undermine the credibility of the nonprofit sector. Meanwhile, public interest corporations that automatically received tax privileges upon incorporation are now worried about how high the new threshold will be for authorization as an organization serving the public interest and thus for exemption from corporate income taxes and other special tax treatment. Many also worry about the administrative burden of re-registering and restructuring their boards in order to meet potential new requirements as well as the additional work posed by heightened requirements for governance and information disclosure.

It does not help that the debate over the pending reform of the nonprofit tax system will not be concluded before the fiscal year starting in April 2008. In this fluid situation, it is obvious that the transition will be difficult for some nonprofit organizations. Still, it is hard to assess whether these developments will actually be a net positive for the nonprofit sector because the full picture of nonprofit sector reform is not yet clear.

Conclusion

It cannot be emphasized enough that Japanese civil society is not weak, but that it is underdeveloped in the arenas that promote democratic agenda. It is underprofessionalized, has limited ability to influence the public sphere and public debate, and almost certainly less influence on policy than the civil societies of other states. However, by other indicators it is vital and an integral part of daily life for most Japanese.

(Non-Domestic Civil Society Review)
Japanese Domestic CSOs with an International Gaze

Japan's Official Development Assistance (ODA) policy reflects clearly the demise of the developmental state and changing relations between the state and NGOs. Unlike the United States—where foreign aid is a peripheral political issue—in Japan, ODA is the central foreign policy issue facing the government and the public. Since 1991, Japan has been the single largest aid donor in the world, and has used overseas aid as its principal mechanism for gaining global economic and political influence. While this is inherently an inter-state political issue, the manner in which aid is directed and the driving forces behind aid flows illustrate much about the state of domestic civil society engagement. One of the most striking features has been the increase in the last two decades of NGOs devoted to international aid and development. In 1980, only 59 NGOs were listed in a directory of Japanese NGOs engaged in international cooperation as complied by a Japanese NGO network. In 1993, the number reached 290 and, in 1996, 368[6] (Japanese NGO Center for International Cooperation, 1999) Hirata (1999) argues that it is this unprecedented growth that has brought forth a new, potentially powerful civil society, which for the first time is beginning to seriously impact policy formation. Associated with this international focus has been the adoption by many Japanese NGOs of the

---

[6] These figures should skew slightly higher given the registration complications outlined previously

international aid communities' conception of sustainable human development, as well as increased preference for grassroots-based development in the social sector. Furthermore, in the domestic political scene they are the main proponents of aid programs that address human, environmental, and social concerns in the developing world.

The implications for state-NGO relations is that state officials now take NGO movements more seriously and has created a more active dialogue between the state and NGOs. Several characteristics have garnered them public support and the backing of the Ministry of Foreign Affairs (MOFA). First, their small size and flexible administration allow them to avoid the complex procedures and politics that typically slow government decisions. While the state bureaucracy often takes several years to launch a new program, Japanese NGOs can initiate a new program with greater speed and ease. A second strength of NGOs is their reputation. The public has a dramatically different attitude towards NGO members, who are seen as selfless and sincere, than they do towards politicians and bureaucrats, who have been tainted with corruption scandals. A third strength, related to their positive perception, is the excellent grassroots ties and involvement of many NGOs. The grassroots connections of many Japanese NGOs are enhanced by the value systems that permeate many such aid and development focused organizations.

References

Amemiya, Takako. 1999. "Japan." *In Thomas Silk, ed., Philanthropy and Law in Asia*, pp. 131-162. San Francisco: Jossey-Bass.

Japanese NGO Center for International Cooperation. (1999) *What is JANIC*? Tokyo: Japanese NGO Center for International Cooperation.

Richardson, Bradley. 1997. *Japanese Democracy: Power, Coordination, and Performance*. New Haven, CT: Yale University Press.

Salamon, Lester M. *The International Guide to Nonprofit Law*. New York: John Wiley.

Skocpo, Theda. 1998. "Advocates Without Members: The Recent Transformation of Transformation of American Civic Life." In Theda Skocpol and Morris P. Fiorina, eds., *Civic Engagement in American Democracy*. Washington, DC: Brookings Institution Press.

Yamaoka, Yoshinori. 1999. "Japan." *In Thomas Silk, ed., Philanthropy and Law in Asia*. San Francisco: Jossey-Bass.

Civil Society Engagement in South Korea

✓ 23,017 non-governmental or non-profit organizations operated in Korea as of 2005 (2006 Encyclopedia of Korean Associations)

✓ That total figure is up from 3,900 as of 1997, and 7,600 as of 2000 (2006 Encyclopedia of Korean Associations)

✓ Among the 2005 total, 5,556 organizations are classified as entities that monitor the market and the government or address issues that the government does not properly administer.

✓ The number of CSOs **registered** with the central government or local governments amounted to approximately 5,800 as of the end of 2005.[7]

✓ Registration, especially those with regards to those NGOs seeking grants directly from the government, does seem to positively impact funding without an increased burden in oversight. Thus, I am not sure why the number of registered NGOs/NPOs is so small.

Terms and Definitions

Terms	Definitions
Civil movement organizations (*simin woondong danche*)	Reform-oriented, citizen-participating civil society organizations (*simin danche*)
Civil society organizations (*simin danche*)	Public-benefit oriented, narrow sense of NGOs (*mingan danche*); All NGOs except foundations, business and professional associations, trade unions, social services, art and culture and organizations
NGOs (*mingan danche*)	All NPOs except educational institutions and nonprofit medical institutions
NPOs (*beyoungri danche*)	All nonprofit organizations
Public interest corporations (*gongick bubin*)	Legal term for incorporated, public interest organizations
Nonprofit civil organizations (*beyoungri mingan danche*)	Legal term for NGOs, whether they are incorporated or not

---

[7] This number had climbed to 11,050 by 2008

South Korean Nonprofit Sector: Main Types of Nonprofit Organizations and Definition

Civil movement organizations (*simin woondong danche*)	· private · self-governing · non profit-distributing · voluntary
Civil society organizations (*simin danche*): civil movement organizations and civic organizations	· private · self-governing · non profit-distributing · voluntary
Foundations/ Trade unions Business and professional associations Social services/ Art and culture	· private · self-governing · non profit-distributing · voluntary
Educational institutions/ Nonprofit medical institutions	· private · self-governing · non profit-distributing · not all voluntary
Specially incorporated foundations	· not all private · not all self-governing · non profit-distributing · not voluntary

From Kim and Hwang

Number and Pattern of Growth

Numbers

More recent survey data, whose veracity is unclear, estimates the number of all nonprofit organizations including both registered and unregistered at about 60,000. 11,050 registered organizations account for about 18 percent of all NGOs in South Korea. Furthermore, the survey shows that about 54 percent of the rather active 4,000 NGOs are not registered. A high occurrence of unregistered status is a distinctive feature of South Korean civil society. It seems that unregistered NGOs are largely centered on advocacy and development and registered NGOs are centered on service-provision.

Typology

There are several major terms used to refer to the organizations that are nonprofit or taxexempt voluntary organizations in South Korea. These terms include: NPOs (*beyoungri danche*), NGOs (*mingan danche*), civil society organizations (*simin danche*), civic movement organizations (*simin woondong danche*), and public interest corporations (*gongick bubin*). They are not clearly defined and are frequently used interchangeably. The terms "NGOs" and "civil society organizations" (CSOs) are the most popular in the field of academia as well as in journalism. The term "public interest corporations" is commonly used only in a legal context. Although the major form of nonprofit organization is the civil association, the sector also includes foundations and corporations. The NPO term as used in the United States has not been.

History

It is not easy to outline the boundaries of the contemporary nonprofit sector in South Korea, since historically there has been no obvious distinction between the state and civil society. The familiar conceptual ambiguities that surround the subject of civil society have generated a scholarly debate on whether or not South Korea can be said to have a civil society. While civil society in the sense of a non-state arena is well developed in South Korea, civil society in the sense of associational groups is not. Before 1945, the nonprofit sector was dependent on the state and as a result it built no indigenous capacity. Kinship-based and centralized agrarian social systems did not develop into a civil society with diversity and dynamics. Therefore, kinship or village-based voluntary organizations dominated over any emergence of an independent civil society. Even though the rural gentry class had formed their own autonomous social boundaries, ordinary people could not form any kind of "civil" organizations, with the exception of self-help organizations. Furthermore, dramatic and often tragic events in modern Korean history left little room for the development of an autonomous nonprofit sector.

The Korean experience of the nonprofit sector in the post-Liberation period can be roughly divided into three stages.[8] The first stage encompasses the period before the early 1960s when the primary goal of the state was to maintain national security. Most nonprofit organizations in those days were service-oriented, providing welfare services or implementing development projects for the poor, and were mostly supported, if not established, by foreign aid. In this period Korean society was still agrarian, and community and blood-based associations were popular. The realm of civil society in an agrarian society was in one's neighbors, communities and religious activities.

Nevertheless, many political groups and social movements appeared in the changing Korean society, expanding the social sphere dramatically. They were ideologically diverse and successful in mobilizing people. Shortly after the liberation there were strong labor and peasant movements that resisted military rule by the United States and the right. After the Korean War of 1950-53, the South Korean state became repressive and undemocratic; South Korean civil society subsequently had to endure a turbulent period. Consequently, the revolutionary movement broke out in April of 1960 when students and intellectuals revolted against the undemocratic state.

The second stage began with the authoritarian developmental state. It lasted from the early 1960s until 1987 when the authoritarian regime fell under the Great Democratic Movement. Rapid growth of the economy resulted in the differentiation of society and the development of a middle class. In the meantime, there was a rapid growth of civil organizations. Activities of civil organizations in this period can be classified into three categories:

- **Advocacy-oriented activities**. These activities mostly involved dissident intellectuals and students who demanded a reduction in the state's discretionary

---

[8] Hye-Kyung Lee, "NGOs in South Korea" in Tadashi Yamamoto (ed.) Emerging Civil Society in the Asia-Pacific Community 1995.

power. This movement aimed for the promotion of social justice, democracy, and human rights on behalf of the workers, peasants, and other alienated people in society. Underground student activities and political opposition groups such as organizations of Youth Association for Democratization Movement (*Minchungryun*) established in 1983 and Association for Progress of Democratization (*Minchuhyup*) established in 1984 are included in this type. These activities had been severely oppressed by the state.

- **Education and service-oriented organizations.** Organizations such as the Asan Foundation (1977) and Samsung Welfare Foundation (1989). These organizations had a nonpolitical character and played a significant role in providing public goods and social services.
- **Quasi-governmental organizations**. These organizations functioned as governmental agencies. The Saemaul Movement exemplifies this type. These pro-government organizations played a significant role in mobilizing people for national development or in publicizing government's policies.[9]

In this period independent civil activities in South Korea could develop only within a limited political space. Nevertheless, from the early 1980s popular support for various civic groups such as women's groups, consumer advocacy groups, and environmental activities grew with the emergence of a middle class. Rapid industrialization and urbanization, differentiation of class structure, and the growth of the middleclass represent the preconditions for the awareness of the problems of the authoritarian regimes. Discrepancies began to prevail in almost every aspect of society: between city and country, between classes, between regions, and between sexes. Corruption was widespread in the government and among political elites. There were already popular organizations and substantial funding available when the democratic transition in 1985-87 occurred. Such famous advocacy civil organizations as Lawyers for a Democratic Society, the People's Solidarity for Participatory Democracy (PSPD), and the Citizen's Coalition of Economic Justice (CCEJ) grew out of this environment. During this period diverse elements in South Korean civil society rapidly mobilized into a militant pro-democracy force, and waged intense struggles against the authoritarian regime.

The third stage of the South Korean nonprofit experience began with the abrupt end of the authoritarian regime in June 1987. However, the rise of people's movements had already begun to play an important role in the mid-1980s. The dramatic rise of citizens' and labor movements and nongovernmental organizations during the late 1980s and early 1990s was clearly due to the rapid democratization beginning in the mid-1980s. New at this stage of evolution of the South Korean civil society was the emergence of increasingly effective and sophisticated civic groups led by younger generations. They emphasized progressive advocacy functions including efforts to broaden public debate and participation in the formulation of public policy, safeguard or expand the domain of human rights, and safeguard public resources such as the environment from the pressures of economic growth. The immediate post-democratization period between the late 1980s and the early 1990s has added important new players since the traditional leader groups,

---

[9] Adapted from Kim and Hwang, 2001

such as student organizations and underground groups, were gradually replaced by groups of new civil organizations.

Many scholars say that the decade of the 1990s in South Korea was "the age of civil society." This indicates several distinct evolutions within the sector. First, the South Korean nonprofit sector has grown into a visible and independent entity in relation to the state and business. The South Korean nonprofit sector has been understood as an institutionalized and self-generating reality capable of pressing bureaucrats, politicians, and big business. Second, the South Korean nonprofit sector has been internally differentiated significantly; this differentiation contributes to the development of the South Korean nonprofit sector itself and to social and political pluralism. Finally, academic as well as journalistic interest in the nonprofit sector has been growing. Strong public awareness and support are also important developments.

Along with the spectacular growth of its economy, the role of nonprofit/non-governmental sector in South Korea has grown substantially over the last thirty years. Between 1970 and 1997, the sector grew at a rate more than 22% per annum in terms of gross domestic product. As of 1997, the nonprofit sector accounted for 2.96% of gross domestic products or 5.6% of domestic service goods produced in South Korea (Kim, 1999). Furthermore, the sector employs 5.3% of (full-time equivalent) workforce in South Korea which numbers around 700,000. In addition, advocacy organizations play critical roles in the policy deliberation process while service organizations including health and welfare agencies have played indispensable roles in the provision of social welfare and health care services to the needy. Another important characteristic of the Korea civil society is its relative youth. According to the Korean NGO Times (2001), 56.5% of all civil society organizations (CSOs) are established in the 1990s and 21% in the 1980s while only 9% were created in the 1970s.

Legal Basis and Framework

The body of law most broadly related to NPOs can be found in the Constitution. The constitutional right to freely associate and assemble is guaranteed in Article 21 of the Constitution of the Republic of Korea. Specifically, the formation of NPOs is governed by Article 32 of the Civil Code: "An association or foundation relating to science, religion, charity, art, or social intercourse or otherwise relating to enterprises not engaged for profit or gain may be made a legal person subject to the permission of the relevant ministries." Article 33 of the Civil Code also establishes the importance of registration: "A judicial person shall come into existence by making registration for formation at the location of the principal office of the legal person." Article 39 of the Civil Code states the conditions for cancellation of permission for the formation of a legal person: "In case a legal person operates such business outside the scope of its creative purpose, violates conditions attached to the permission for its formation, or engages in acts harming public interests, the relevant ministries may cancel the permission."[10]

---

[10] Transparency International, 2006

In the early 1970s, a special law was enacted to supplement the provisions of the Civil Code regarding the incorporation and operation of a public benefit corporation. The purpose of this special law, the Act Concerning Incorporation and Operation of a Nonprofit Corporation, was to enable a legal entity to maintain its public and charitable purposes and carry out its activities by supplementing the provisions of the Civil Code relating to incorporation and Operation of a nonprofit corporation.

Government policy towards civil advocacy organizations greatly changed after the launching of Kim Yong-sam's government in early 1990s. Previously the general attitude of the government towards civil society organizations was negative because of most civil society organization's propensity to criticize governmental policy. Most recently the relationship between the government and civil society sector has become complementary rather than contradictory. The policy environment for financial support has also improved. For example, in 1999 the Korean National Assembly passed 'An Act for the Support of Private Nonprofit Organizations' which enables the government to help third sector organizations.

In the past many tax-related laws such as the Corporation Tax Law, the Value-Added Tax Law, Local Tax Law, Inheritance and Gift Tax Law used to affect the status and functioning of a nonprofit corporation. It is now 'The Nonprofit Act' that directly affects incorporation and operation of a nonprofit organization. The government started to support non-profit organizations in 1999 under the supervision of the Ministry of Government Administration and Home Affairs.

In South Korea public interest corporations (*gongick bubin*) usually refer to legally established nonprofit organizations. In South Korea public interest corporations generally mean registered NGOs. So, the term of public interest corporations is a legal term rather than an academic or journalistic one. The most distinguishing characteristic of public interest corporations is that they are registered. Public interest corporations can also be divided into two categories based on their purposes: public-benefit organizations and nonprofit organizations whose orientation is member-serving. Public interest corporations may also be divided into incorporated foundations and incorporated associations, depending on the basis of their establishment. While most incorporated foundations belong to the public benefit category, incorporated associations can belong to either category of public interest corporations.

The three dominant types of public interest corporations are educational institutions, foundations providing research grant or scholarships, and social welfare institutions. Religion, art and culture, and medical corporations are three other popular types of public interest categories. In South Korea many foundations have been established by big business. Usually, corporate foundations have their own fund, but service-providing institutions are dependent on government support. Professional associations and social clubs are also popular nonprofit corporations.

The formation of public interest corporations is governed mostly by Article 32 of the Civil Code: "An association or foundation relating to science, religion, charity, art, or

social intercourse or otherwise relating to enterprises not engaged for profit or gain may be made a legal person subject to the permission of the relevant ministries." Article 33 of the Civil Code also establishes the importance of registration: "A judicial person shall come into existence by making registration for formation at the location of the principal office of the legal person." Also, the formation of public interest corporations is governed by the Act Concerning Establishment and Operation of Nonprofit Corporation.

Public interest corporations are relatively well organized and active since they possess legal status. The Civil Code in general, and the Nonprofit Act and accompanying Decree in particular, provide the specific procedures and requirements for formal establishment of a nonprofit corporation as a legal entity.

Nonprofit civil organizations (beyoungri mingan danche).

Another legal term is *beyoungri mingan danche* (nonprofit civil organizations), which was created by the Law to Promote Nonprofit Civil Organizations enacted in December, 1999. The purpose of this Law is to promote the sound development of nonprofit civil organizations, to enlarge the foundation for citizens' participation in the form of volunteer and other activities to benefit society, and thereby to contribute to the development of South Korean civil society through expanding public activities for nonprofit civil organizations. Key contents of the Law are:

1. The recommendation that the state as well as local governments do their best to help nonprofit organizations participate in public activities;

2. Nonprofit organizations that look for benefits from this new law must be registered within the relevant ministry or local government, incorporated or not. Relevant ministers and local authorities must permit establishment and registration when a nonprofit organization presents qualifications and submits all necessary documents;

3. The Minister of Internal Affairs and local authorities are recommended to secure autonomy of nonprofit activities and they are recommended to assist nonprofit organizations that are participating in public projects with administrative as well as financial resources;

4. The state as well as the local governments are asked to provide national and public utilities for nonprofit organizations to use freely or only with a minimal fee;

5. The Minister of Internal Affairs and local authorities are advised to select public projects relevant for nonprofit organizations and provide subsidies mainly for operating expenditures. Ministers and local authorities can allocate public works that will be better run by nonprofit organizations, and Ministers and local authorities have to provide full expenditures for public works under the presidential decree;

6. The Minister of Internal Affairs and local authorities are recommended to survey social demands of public works that will be conducted by nonprofit organizations annually. The Minister of Internal Affairs and local authorities are also recommended to open types of subsidized public activities to nonprofit organizations annually;

7. The Minister of Internal Affairs and local authorities are recommended to apply the open competition rule when they decide upon individual projects and the amount of subsidies. The public works selection committee will be organized to do this job and the committee members must have approval of the relevant local government assembly;

8. Provision of tax-exempt status and tax incentives for nonprofit organizations;

9. Penalties will be heavily enforced when nonprofit organizations have used false facts to receive subsidies.

Accountability of Civil Society Organizations

People working for CSOs are generally believed to be conscientious and competent with regard to monitoring corruption. Thus, they are not assumed to be corrupt themselves. Yet, while they demand integrity and good governance of public institutions and the business sector, CSOs have drawn little attention to their own internal governance and integrity systems. CSOs' accountability is generally towards the public, but also towards their members. Thus, they set up annual general meetings and executive committees and conduct annual audits. Yet, it is difficult to generalize about the status of accountability and governance practices in civic organizations. Recently, for example, some academic papers argue that Korean civil society organizations drift away from their initial goal, failing to listen to their members and thus making them organizations that are 'citizens' groups without citizens'.[11]

Civil society organizations, including those fighting against corruption, mostly disclose information on their organization and job performance on their homepages. Publicly available information includes articles of incorporation, other internal laws, major activities, goals and budget and expenses. Some CSOs, however, do not disclose their financial information to the public. No public information exists regarding the number of CSOs that have set up their own ethics codes. A TI Korea 2003 survey of 349 people in large business groups and 14 CSOs shows that 34.2 percent of the responding CSOs had their own ethics codes. Another survey of 304 people working for civil society

---

[11] Jin, Jang Cheol, 'Citizens' distrust of Korean civil organizations: focusing on local civil movement', Shinroi Yeongu (Research on Trust) 12, 1 (2002): 27–45 [in Korean]; Kim, Jun Ki, 'Internal governance of Korean non-governmental organizations', Haengjeong Nonchong (Review on Administration) 43, 4 (2005): 29–61 [in Korean]; Lew, Seok Choon & Kim, Yong Min, 'Goal displacement of civil organizations in Korea: with Special reference to Citizens' Coalition for Economic Justice and PSPD', the Journal of East West Studies 12, 2 (2000): 5–38 [in Korean]. Taken from NPI

organizations in 2005 showed that 88.5 per cent of the respondents had ethics codes. Among the major civic anti-corruption organizations, only TI Korea and the Citizens' Coalition for Economic Justice have codes of conduct, while others simply have their personnel committees handle issues related to conflicts of interest of officers and members of executive committees.

Capacity of Civil Society Organizations

Civil society organizations in Korean society are the most influential and autonomous sub-sector within the Korean nonprofit sector. They also maintain a considerable level of autonomy and independence from the state and market. People's Solidarity for Participatory Democracy, established in 1994 and Citizen's Coalition for Economic Justice established in 1989 are the most famous civil movement organizations. Major civil society organizations have equipped themselves with research institutes and policy commissions to strengthen their policy-presenting capacity.

It is difficult to make any definitive statements about a new governance system at this moment. But it is evident that current circumstances require a new model of governance, and civil society organizations are among the most powerful promoters of this new model of governance. Civic groups advocating democracy, justice, and quality-of-life concerns have become a dominant voice in South Korean society in the last decade. These civic groups directly raise issues relevant to governance and democracy. In any new governance system that might emerge in the next decades, civil society organizations will play a more significant role than they have in the past.

Role in Democratic Change

Non-governmental organizations have become important in securing a democratic political system through their roles as watch groups as well as voluntary organizations pursuing further participative democracy in South Korea. They have promoted political participation, voluntary social service participation and policy participation in South Korea's recent history. Traditionally, NGO roles were limited to organizing political protests against previous authoritarian regimes and providing social services for disadvantaged groups of people. As they become more institutionalized and a critical part of civilized society, their social roles have been expanded to include various policy areas. Utilizing information and communication technology, they have broadened the scope of citizen participation and information dissemination, which helps them enhance their visibility, policy influence and support bases.

As many South Korean scholars have pointed out, the importance of civil society organizations in South Korea lies in the fact that while the transition to democracy has occurred, consolidation of democracy remains an unrealized project to date. Civil groups have developed ideals of shared citizenship and possibilities for democratic leverage. In the last decade, there has been a remarkable acceleration of civil society articulations that

criticized existing structures and practices of governance. Civic groups that pursue public interests have proliferated—not only groups advocating rights of the formerly marginalized, but also groups speaking for broader causes such as environmentalism and other understandings of what is good for society as a whole. The growth of civil society organizations is itself proof that the kind of public space that the government has been either unwilling or unable to handle is rapidly expanding. Public issues, as environment and helping North Koreans, are handled predominantly by NGOs.

Specifically, civil society organizations also played a powerful role in the general elections in 2000 and 2004. In the general election in 2000, CSOs announced a list of candidates that they determined were not qualified as parliamentarians and conducted nation-wide campaigns against them. Approximately 1,000 civic organizations joined this campaign. As a result, 59 of a total of 86 candidates lost their elections, and particularly in Seoul, 19 out of the 20 candidates were defeated. In 2004, civic organizations again launched a similar nation-wide election campaign. As a result, 129 out of a total of 206 candidates who civic organizations classified as disqualified or unqualified lost their bids. In both elections, corruption was one of the leading reasons why candidates were blacklisted.

The government annually classifies non-profit-supported projects into eight or nine categories. From 2001 through 2004, the 'promotion of a transparent society' was one of these categories. However, the amount of support provided to this category constituted only approximately 2 per cent of total government support for civil society from 2001 to 2003.

Among the leading civil society organizations addressing governance, accountability, transparency or anti-corruption measures are Transparency International Korea (TI Korea), the People's Solidarity for Participatory Democracy (PSPD), the Citizens' Coalition for Economic Justice, the Citizens' Coalition for Better Government and the Citizens' Association against Corruption. As with other civil society organizations, these anti-corruption organizations collect their funds via membership fees, contributions and other fund-raising activities, including funding requests to central and local governments. Many civil society organizations face financial difficulties and thus the government's financial support constitutes an important source of funding.[12]

TI Korea, formerly the People's Solidarity against Corruption, is the most active organization in the fight against corruption. Established in 1999 through a joint initiative of several pre-existing social organizations, it focuses on forming the infrastructure to fight corruption through education, campaigns, publications and international cooperation. In 2005, TI Korea took the lead in bringing together people from the fields of politics, economy, society and NGOs to join the K-Pact. The 2005 budget of TI Korea amounted to KRW 240 million and its membership base exceeded 1,000 people.

With Kim Dae Jung's presidency, the government began to provide grants to CSOs, which had been provided previously only to pro-governmental organizations. 15 million

---

[12] (Seoul: MGAHA, Research Report, 2004)

US Dollars were annually distributed to the civic groups who applied for the grant, and the scale and the performance of their activities were used as criteria in determining the size of the grant. This was real change of policy for the government since NGOs had normally been targets of oppression by the authorities concerned. The government also passed a law in January 2000 to enable CSOs to get tax-exempted status and discount in postal services. It should be noted, however, that concrete measures to guarantee tax-exempt status has not yet been implemented. In addition, the Law on Broadcasting also required pubic Korean Broadcasting station to provide 60 minutes a month for programming on NGOs. Therefore, the government's policies helped to legitimize CSOs and their activities.

Sources of Revenue for NGOs

Park's (2000) research states that income of NGOs usually come from:

- Membership fees (41.2%)

- Government supports (14.8%)

- Selling products or services (12.8%)

- Enterprises' donation (8.5%)

- Public funding (6.8%)

- Other (15.9%)

Many Korean third sector organizations are financially fragile. Even though the third sector in Korea has developed rapidly, most nonprofits are suffering from severe financial difficulties, threatening their sustainability. Many third sector organizations depend mainly on membership fees that barely cover their working budgets. Some nonprofits are subsidized either by the government or the private sector.

This revenue profile for NPOs is largely distinct from that of NGOs. Kim (1998) suggests that government supports 16.2% of the total income of non-profit institutions. By comparison, this is twice as much as the United States' support to NPOs, and the total amount of support continues to rise. NPOs depend largely on government's assistance rather than private voluntary giving or membership fees.

The Private NPO Assistance Act was enacted in December of 1999 to provide systematic financial assistance to NPOs in order to facilitate a sustainable growth of the civil society sector. In 2001 alone, a budget of 15 billion won was allocated to more than 500 CSOs nationwide. To receive subsidies, NPOs are required to submit project proposals which a government-appointed private panel reviews and the panel determines the amount to be subsidized based on merits. Only those nonprofits that are registered with government agencies are eligible for assistance. At the conclusion of their projects, nonprofits are required to submit end-year reports to the government.

Governmental approval is necessary for third sector organizations to receive legitimation as having "legal person" status. However, many third sector organizations prefer to operate without registration because they sometimes perceive freedom from governmental control and regulation is of a greater benefit than the qualification for preferential tax treatment and other benefits available only to the registered third sector organization. Special laws exist that seek to regulate financial contributions to particular civil society organizations or provide for their formation and operation, as well as their special treatment through, for instance, tax deductions. These legislative acts govern only a very limited number of CSOs. Most of them are in practice not subject to any of these acts.[13]

However, it is important to note than no law provides for the oversight of CSOs, and the government does not wield any direct power over them, except indirectly through financial support that it can provide. As civil society organizations operate through membership fees, the business sector does not directly intervene in most cases, either.

Passed in 2000, the Act on Support for Non-Profit Civil Organizations seeks to support public activities of non-profit organizations. Non-profit organizations, for instance, may participate in central or local government–requested projects after registering with the corresponding governing institutions. With the funds provided, the CSOs carry out inspections on the concerned projects. As seen in Table 6, the annual amount of support by the government amounted to KRW 15 billion in 1999.

Table 6 Governmental Support to Non-Profit Civil Organisations under the Act on Support for Non-Profit Civil Organisations

Year	1999	2000	2001	2002	2003	2004
No. of Projects	1,640	1,612	1,790	1,890	1,806	1,440
No. of Beneficiary Organisations	1,838	1,491	1,688	1,804	1,735	1,413
Total Amount of Support (Unit: billion KRW)	15	15	15	15	15	10

Source: 2001-2005 Annual Reports (MGAHA, 2002–2005), www.mogaha.go.kr; Kim, Dong-Chun, Cho, Hyo-Je & Lee, Dae-Hoon, Analysis on Governmental Support for Civil Non-Profit Organisations, (Seoul: MGAHA, Research Report, 2004), www:mogaha.go.kr, p. 44.

Foundations are another main type of third sector organization in Korea, even though the number of foundations is not large compared to associations. Foundations are subsumed under the public interest corporation label and generally have considerable funds. According to the recent available data, foundations account for just 7% of 4,000 highly active third sector organizations. However, due to the availability of handsome funds, foundations play significant roles in certain fields, and are most active in the provision of scholarships or educational funds, supporting research expenses, art, and charity.

---

[13] Kim, Dong-Chun, Cho, Hyo-Je & Lee, Dae-Hoon, Analysis on Governmental Support for Civil Non-Profit Organizations, (Seoul: MGAHA, Research Report, 2004), www:mogaha.go.kr, uploaded on 14 January 2005 [in Korean]. Taken from NPI

The tax-related matters of Korean third sector organizations are very permissive and generous. Korean law gives preferential treatment to third sector organizations under the Corporation Tax Law, the Value-Added Tax Law, and local tax laws. In particular, the Corporation Tax has been the most important, providing tax incentives for nonprofit corporations with profit-seeking businesses. The Korean tax law generally imposes a corporate tax on income regardless of organizational types. However, the law does not apply to the third sector organizations if they satisfy certain conditions. The income accrued by the third sector organizations through profit making activities, interests, and dividends may receive tax exemption if used or set aside as a reserve to be used (within the next five years) for public benefit activities for which the organization is formed.

Individual contributors receive a tax deduction for contributions made to the third sector organizations. Previously individuals used to receive up to 5% deduction of all taxable income. However, in order to encourage private donations the government in the new Income Tax law raised the limit to 10%.
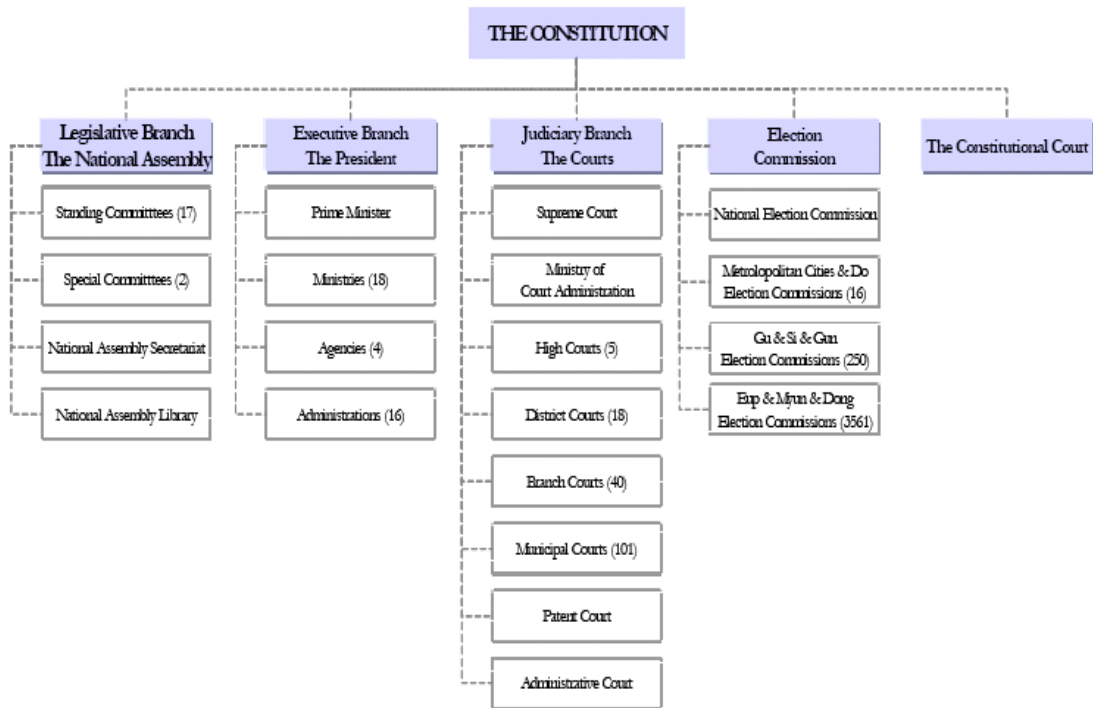

Stage of Political Development

South Korea is a constitutional democracy with a president elected directly through popular vote. The political power of the country is divided among the executive, legislative and judicial branches. The executive consists of the president and the executive branch, the latter comprising the prime minister, the State Council, 18 administrative ministers, and the Board of Audit and Inspection (BAI). Elected for five years, the president heads the executive branch and also serves as the commander in chief. The prime minister is appointed by the president and confirmed by the National Assembly. The 18 ministers head their respective administrations, participate in the deliberation of major state affairs and act on behalf of the president.

The legislative branch operates through a unicameral body, the National Assembly, consisting of 299 members who each serve four-year terms. The main political parties are the Uri Party, the Grand National Party, the Democratic Labour Party and the Democratic Party. Since the 2002 presidential election, the Uri Party has served as the ruling party. The next presidential election will be held in December 2007, and the next legislative election will be held in April 2008.

The judicial branch, independent under the constitution, has a three-tiered structure: the Supreme Court, the high courts (appellate) and the district courts. The courts exercise jurisdiction over, among other issues, civil, criminal, administrative, electoral and judicial matters.

In addition to the three branches, the constitution establishes the Constitutional Court of Korea to protect the people's fundamental rights and check governmental powers. Moreover, the constitution provides for election commissions that are guaranteed independent status comparable to that of the National Assembly, the executive branch, courts and the Constitutional Court.

Figure 1 The Governance Organisation of the Republic of Korea

Source: *Ministry of Government Administration and Home Affairs, ROK.*

Currently, Korea is in the maturing phase of substantive democratization. Seven years after the crisis, Korea has re-emerged as a strong global player, reclaiming its spot among the 15 largest economies in the world, with a per capita GNI of US$16,291 and an annual economic compound growth rate of 4.2 per cent in 2005 that ranks above most OECD countries. Increased awareness and nation-wide efforts, combined with a systematic and comprehensive approach, have resulted in improved integrity systems and practices. Still, serious corruption occurs and the general public and international communities assert that Korea has a long way to go.

References

Kim, I. & Hwang, C. (1999). 'Defining Nonprofit Sector in Korea.' Working Paper submitted to Johns Hopkins Comparative Nonprofit Research Project.

Kim, Jun-ki(1998). *"NGO's formation and general behavior: in the view of principle-agent theory"*. Korea Journal of Public Administration, 36(1).

Kim, H. (1998). *Study on the Civil Society and Non-Governmental Organizations in Korea* (Seoul: Dong-Su Yon Ku, Institute of East and West Studies, Yonsei University).

Jae-Won Yoo (2004). *"The Changing Role(s) of Non-Governmental Organizations in the Korean Policy Processes"*. Korean Journal; of Public Administration,42(4).

Jun-ki Kim (2001). *"Critical Review on the NGO Studies in Korea".* Korea Journal of Public Administration, 39(3).

Jun-ki Kim (1999). *"The Emerging Korean Nonprofit Sector: An Emperical Overview"*. Korea Journal of Public Administration, 37(1).

Jun-ki Kim (2003). "*Governance, Organizational Effectiveness and the Non-profit Sector in Korea".* Korea Journal of Public Administration*, 19(2): 15-33, 2004.

Civil Society Engagement in the Philippines

Philippine Civil Society Statistics/Notes

- The 1987 Constitution gave NGOs the power to represent the people's interests in consultations on local and national issues, as well as in governance and policy-making.[14]

- In 1991, the Local Government Code devolved the provision of certain services to Local Government Units (LGUs) and made NGO involvement in these bodies mandatory. The Code specified that LGUs should promote the establishment and operation of NGOs. It also permitted them to cooperate with them in areas like socioeconomic development and environmental protection. Other local government bodies – like the health board, school board and pre-qualification bids and awards committees – were also to have NGO representation.[15]

- There is a growing recognition that NGO leaders can influence policy and restore credibility to an ailing administration, post-Aquino presidents have brought them increasingly into the political fold.

- However, government has not yet set rules for the implementation of such provisions, nor is there a non-profit legal infrastructure organization to track its effectiveness in practice. Several government/quasi-government agencies have loose oversight functions for some facets of NGO work[16] but there has been no concerted effort to create an enabling, rationalized regulatory framework.

- Knowledge of the non-profit sector is similarly piecemeal. There is still debate on which organizations should be included and estimates of number differ, depending on the perspective of the organization making the estimate.[17]
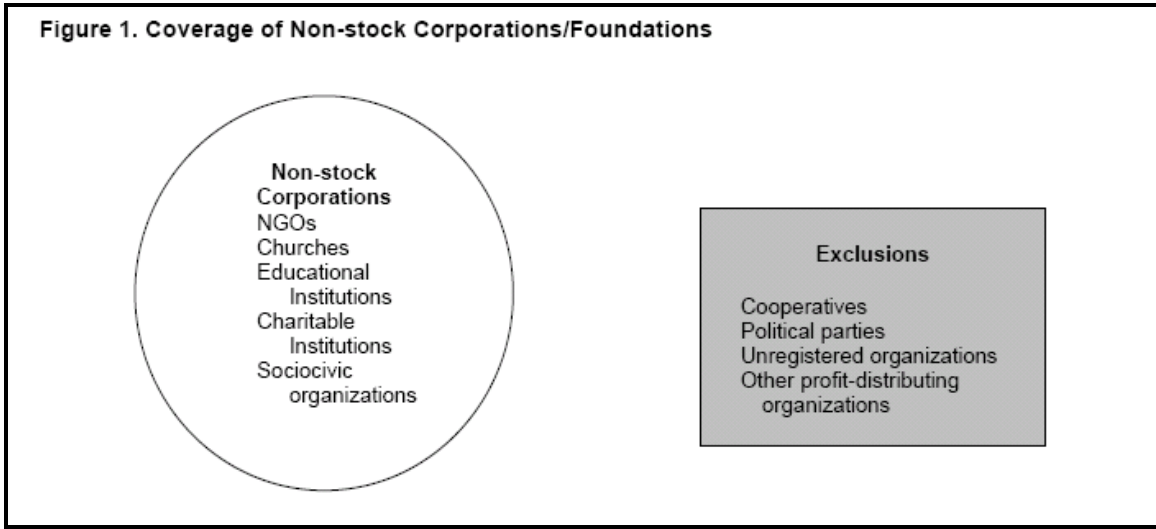
---

[14] Section 23 of Article II of the 1987 Philippine Constitution: 'The state shall encourage nongovernmental, community-based, or sectoral organizations that promote the welfare of the nation.' See also Article XIII.

[15] Full text of the Local Government Code is available at www.chanrobles.com/localgov1.htm. See sections 34, 35 and 37. The legislation mostly refers to 'people's and non-government organizations'.
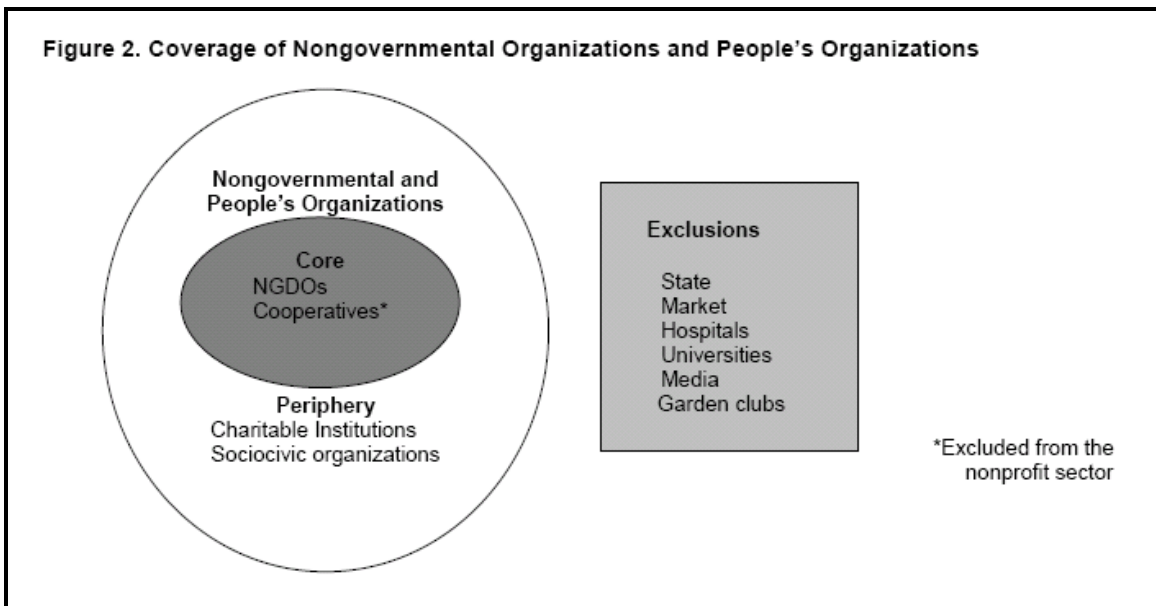
[16] Such as the Securities and Exchange Commission for non-profit registration (although organizations are not required to register to do development work) and PCNC.

[17] For a long while, official estimates placed the number of NGOs at 60,000. However, SEC data show there were 152,535 registered non-stock corporations as of 15 June 2002, and a 1997 NCPAG estimate placed the industry range between 249,000 and 497,000, including non-stock corporations, cooperatives, NGOs, accredited people's organizations and other people's organizations. See Ledivina V Cariño (ed) (2002) *Between the State and the Market: The nonprofit sector and civil society in the Philippines Quezon City, Philippines: Center for Leadership, Citizenship and Democracy, NCPAG, University of the Philippines*, pp 61–95.

Below is the definitional coverage of the terms used widely in the Philippine context

Figure 1. Coverage of Non-stock Corporations/Foundations

Non-stock
Corporations
NGOs
Churches
Educational
    Institutions
Charitable
    Institutions
Sociocivic
    organizations

Exclusions

Cooperatives
Political parties
Unregistered organizations
Other profit-distributing
    organizations

Taken from: Defining the Nonprofit Sector: The Philippines

Figure 2. Coverage of Nongovernmental Organizations and People's Organizations

Nongovernmental and
People's Organizations

Core
NGDOs
Cooperatives*

Periphery
Charitable Institutions
Sociocivic organizations

Exclusions

State
Market
Hospitals
Universities
Media
Garden clubs

*Excluded from the
nonprofit sector

Taken from: Defining the Nonprofit Sector: The Philippines

Typology of Civil Society in the Philippines

Understanding the typology of Philippine civil society can be a daunting task. Carino (2002) devotes a whole chapter of her study to analyzing the different categorization of civil society organizations by applying the Johns Hopkins University classification. Constantino-David (1997) maps the terrain of Philippine civil society by separating the NGOs, "people's organizations" POs and ideological groups who mostly deal with poor and marginalized groups and are more politically inclined from the academe, church,

media and business who are more concerned with either sectoral or broad public interest. She further segregates the former into their sub-categories as individuals, membership-based organizations, institutions/agencies and ideological groups.

Neither the term third sector nor nonprofit sector is widely used in the Philippines. The more popular term is civil society, to refer to the wide range of organizations in the sector, which includes well understood terms as NGOs, cause-oriented organizations, POs, voluntary organizations, and cooperatives. In addition, there are business and professional associations, labor unions, socio-civic organizations, church-based organizations, and educational institutions.

Four terms have legal validity in the country: nonstock corporations, nonprofit institutions, independent people's organizations, and nongovernmental, community-based or sectoral organizations. A nonstock corporation is an organization or association where no part of its income is distributed as dividends to its members, trustees, or officers and where profits incidental to operations are used only in furtherance of the organization's purpose. It is formed or organized for charitable, religious, educational, professional, cultural, literary, scientific, social, civic service or similar services like trade, industry, agricultural and like chambers, or any combination (Sections 87 and 88, Corporation Code). To be recognized as a nonstock corporation, an organization must register with the Philippine Securities and Exchange Commission.

Nonstock corporations are entities recognized by law to achieve certain defined objectives. By contrast, nonprofit institutions (NPIs) are entities defined by their economic contributions and are included in the System of National Accounts. Nonprofit institutions are legal entities created for the purpose of producing goods and services whose status does not permit them to be a source of income, profit, or other financial gain for the units that establish, control or finance them (Johns Hopkins Center for Civil Society Studies 2000). In the Philippines, the National Statistical Coordination Board calculates the national accounts. The current list of NPIs is overwhelmingly composed of nonstock corporations.

Independent people's organizations are bona fide associations of citizens with demonstrated capacity to promote the public interest and with identifiable leadership, membership and structure (Section 15, Philippine Constitution of 1987). Members of people's organizations (Pos), as they are more popularly called, come from all sectors of the society including the poor and disadvantaged sectors.

Nongovernment organizations or NGOs are intermediary organizations between the people and the State, and they speak or work for on behalf of the poor and disadvantaged without being from among them. Development work is a defining characteristic of NGOs, and it is for this reason that most NGOs are also referred to as nongovernmental development organizations (NGDOs). Other frequently mentioned characteristics of NGOs in the literature are private, nonprofit; voluntary; and registered or formally organized. Many NGOs are registered with the Securities and Exchange Commission as nonstock corporations.

A cooperative is an association of persons with common bond of interest, who have voluntarily joined together to achieve a lawful common social and economic end, making equitable contributions to the capital required and accepting a fair share of the risks and benefits of the undertaking in accordance with universally accepted cooperative principles. Cooperatives in the Philippines are registered with the Cooperative Development Authority.

Cooperatives in the country have a dual nature. Primary cooperatives are membership-based and characterized more as POs, while secondary and tertiary cooperatives (regional or national federations providing support services to their primary members) are considered NGOs.

Although civil society is still a contested term, there is an emerging consensus within the development community in the Philippines about the term: "the aggregate of civil institutions and citizen's organizations that is distinct and autonomous from both State structures and private business." Civil society organizations, therefore, refer to the whole range of nonstate, nonprofit organizations and groups, including POs, NGOs, cooperatives, socio-civic organizations, business and professional organizations, labor unions, educational institutions and church-based organizations. Despite this emerging consensus, to many 'civil society' still refers to a narrower and more focused sub-sector composed of NGOs, POs and cooperatives.

In 2002, the Philippine Nonprofit Sector Project (PNSP) published its findings on the contours, underpinnings and contributions of the sector, and came up with the term 'nonprofit sector and civil society' to denote the "space between the State and the market". The term 'nonprofit sector and civil society' captures what Philippine law, the literature, popular usage and seminal events attach to the sector (Carino 2002). The study suggests civil society may be the best term to use not only when dealing with the political programs and activities of the sector, but also when seeking to understand why and how people come together, and what results from such community and action. Yet civil society tends to leave out important aspects of the sector, which include the organizations' role as economic units, consuming and producing goods and services, providing employment and facilities, and generating funds and resources for the society.

Numbers and Patterns of Civil Society Growth: The Redemocratization Period (1986 to the present)

Philippine civil society is one of the most dynamic in the region, with a long history and is comprised of an estimated 500,000 NGOs[18] (2004) It is an important case study for research on the relationship between civil society and democratic governance. If civil society has contributed to democratization anywhere, it should be in the Philippines. Yet, as to date those contributions have largely not been institutionalized and are thus often transitory.

---

[18] The source may not be reliable and I could not find more current figures.

Although many unaffiliated individuals and families joined the show of "People Power" at EDSA, at its core were members of nongovernmental organizations banded not only for political causes but also for religious and other purposes. Thus the EDSA revolution marked the culmination of many years of hard work by activists in both underground and legal groups to undermine the Marcos regime. It was in recognition of this role and in the realization that NGOs and POs represented an organized way for popular democratic participation that the new Philippine Constitution of 1987 included several provisions explicitly supporting the sector.

Under the heavy-handed rule of the Marcoses, civil society had become effectively choked off. Public discussion and debate were limited to showcase venues such as the captive Parliament. Nongovernmental organizations were tolerated only so long as they seemed nonpolitical or if they supported Marcos's "New Society." The fall of that regime reestablished the democratic space that civil society needed to flourish. Despite right-wing threats of *coup d'etat*, most groups were given free rein to pursue their respective agenda. Political prisoners were freed and the Communist Party was legalized. Faced with a looted economy, the new government encouraged NGOs to partner with it in the delivery of basic services and to sit in certain government advisory bodies and special commissions. NGO causes were embodied in several new pieces of legislation, namely, the Local Government Code, the Urban Development and Housing Act, the Women in Development and Nation Building Act, among others, some of which explicitly required consultation with and participation of these organizations. Government line agencies opened NGO liaison offices. Government even allowed NGOs to negotiate directly with foreign governments to secure funding for projects as Official Development Assistance (ODA) funds came with the stipulations of NGO and People's Organization (PO) participation in project implementation.

The new, more democratic regime offered opportunities for NGOs and other nonprofit groups to collaborate with government. Many welcomed this policy even though they continue to be wary of the state and fear the loss of militancy and potency in an NGO-friendly government. However, they find they also need this partnership to allow their ideas to gain entry into policy bodies, which by law require the presence of non-state organizations.

The precise number of CSOs in the Philippines is difficult to ascertain, but the number of organizations is presumed to be large and increasing. The Securities and Exchange Commission (SEC) estimates that of 1996 there were 95,820 domestic and 154 foreign-registered non-stock corporations (Lerma and Los Baños 1998), a dramatic increase from only about 18,000 in 1989, although not all may be considered as part of civil society. These figures cover only those organizations that registered formally with the SEC, but are offset by the inclusion of private schools, hospitals, professional associations, and other private, non-profit institutions, none of which are usually regarded as NGOs.

The figure of almost 96,000 is much higher than estimates earlier made by academics who are also active participants in the nonprofit sector, even giving allowance to

estimates of their annual increase. Brillantes (1992), for example, notes that in 1991, the number of NGOs ranged between 15,000 to 30,000 depending on the specialization and thrust of the organization (Brillantes 116). Aldaba (1993) estimates that the sector is comprised of as many as 20,000 organizations. Even Garde and Navarro's report of 60,000 in 1995, itself based on the Commission's records, is somewhat off the mark.

A quick explanation of the underestimate is that SEC includes all organizations that have registered since 1905, unless they report their dissolution, which very few of them have ever done. Meanwhile, persons working within the sector may be providing their "feel" of the number of active organizations On the other hand, one must not be lulled into thinking that the SEC provides the upper limit on the number of organizations between the market and the state. For one, it does not include cooperatives since they register with the Cooperatives Development Authority. As of 1996, cooperatives are estimated to be around 35,000 (Lerma and Los Baños 1998). Like SEC, CDA includes all cooperatives registered with it from the list's inception and does not weed out from its list those that have been dissolved. Unlike SEC, however, CDA includes in its inventory all cooperatives that have ever existed, since registration with CDA is a requirement of law.

Legal Basis and Framework

Since the 1986 revolution which ended 20 years of authoritarian rule under Ferdinand Marcos, the space for citizen participation has expanded greatly. This reclaiming of cultural space is due partly to civic initiative and vigilance and partly to the government's sensitization to popular demand and pressure. The 1986 Constitution, which replaced martial law, has enshrined popular participation. The Local Government Code of 1991 opened the door for greater involvement of CSOs in governance issues and concerns. The country was the first to establish a national council for sustainable development in the wake of the 1992 Earth Summit.[19]

The "mushrooming" of NGOs after the Marcos dictatorship came about as a result of two factors. The first obvious factor is the aforementioned opening up of the democratic space. The pent up energy of all the NGOs, POs and other social movements that continued to operate under the repressive regime, burst into active expressions of citizenry as the government of Pres. Corazon Aquino enshrined people power in the new constitution. In addition, tens of thousands of NGOs got organized overnight to take advantage of this space and to exploit the new democratic President's commitment to make NGOs and POs an active part of her government. Constantino-David (1997), Gonzalez (1998), the ADB study on Philippine NGOs (1999), Carino (2002), and Abella and Dimalanta (2003) provide an exhaustive discussion of the constitutional provisions,

---

[19] The Philippine Council for Sustainable Development (PCSD) chaired by the National Economic Development Authority brought civil society, business/labor and government to the same table in trying to align the country's development plans with Philippine Agenda 21's vision of sustainable development. In this context, sustainable development moves beyond the narrow realm of environmental conservation to embrace development at seven levels: human, spiritual, social, cultural, political, economic and ecological.

laws and government policies that establish the positive environment for the growth and increasing role of NGOs in development.

The second major factor is the donor funds that flooded the country from donors that wanted to ensure the success of the newly re-established democracy. Gonzalez (1998) states that ODA flows to the Philippines continued to rise every year from US$ 908 million in 1986, reaching a peak of US$ 2,725 million in 1991. Because of their newfound legitimacy, NGOs became a choice channel of donor funds as well (Abella and Dimalanta, ibid). Donors also wanted to avoid a repeat of their experience in the Marcos administration where massive amounts of aid money could not be accounted even while Marcos was still in power. Gonzalez (ibid) estimates that in the early 90s NGOs received US$ 56 million annually directly from NGO co-financing schemes alone (not counting funds available to them through contracting arrangements from ODA funds).

Unfortunately, it is also these two factors and the environment that they created that encouraged unscrupulous individuals and organizations to establish fly-by-night NGOs or pseudo NGOs. ADB cites that by 1995, the Philippines Securities and Exchange Commission (SEC) had registered 60,000 non-stock, non-profit organizations. In an ambitious survey of the size of the non-profit sector, Carino (2002, :83) estimates that there were between 249,000 – 497,000 of these organizations in the country in 1997.

With all the official attention and resources being directed towards NGOs, many more organizations appeared. As they proliferated, NGOs were soon perceived to constitute another "racket," that is, a way for unscrupulous persons to "make a quick buck." It became so bad that developmental NGOs tried to distance themselves from those that were (or seemed to be) merely in it for the money (Alegre 1996: 27). It is in this context that NGOs launched the Philippine Council for NGO Certification (PCNC) in 1999. This marked the formal turnover of the authority to grant "donee institution" status from government to the private, nonprofit sector.

Certifying an NGO as a donee institution means that all local contributions to that organization become eligible as deductions for income tax purposes. While the measure ostensibly seeks only to encourage local charitable giving, the PCNC has been using it to encourage legitimate NGOs to be more transparent in their operations and finances (in order to obtain certification) and to weed out dubious organizations that exist without a clear social or charitable purpose.

Capacity of CSOs

One implication of working formally with government and gaining "legitimacy", discussed previously, is the need for NGOs and POs to become more formal institutions, register with the Securities and Exchange Commission as formal non-stock corporations, enlist for accreditation with the relevant government department, and "professionalize" their staff and methods of work. It remains to be seen how these relatively new formations of voluntary organizations would cope with the new demands of becoming

"institutionalized" and legitimizing NGO work as a viable career choice in the face of reductions in traditional sources of funding support.

Carino and Fernan (2002) talk of the multiplicity of purpose of civil society organizations in the country as well as the Filipinos' penchant for association that have contributed to the growth spurt and complex nature of non-government organizations in the Philippines. Some of these efforts to organize are more fleeting than others, oblivious of the need for institutionalization and more concerned about meeting short-term objectives. Many eventually disappear when their purpose have been met or are not easily achieved so the effort at institutionalization are rare compared to the over-all enthusiasm to organize.

Although seemingly a large segment of Philippine society, the NGO community is an esoteric sector that addresses itself to a narrow public. While actively engaging in public discourse, its work is known only among practitioners, beneficiary communities, marginalized sectors, donors, some government agencies and some business segments of the business sector. It is only fairly recently that media had gotten wind of them, picking up mostly negative news about them. Government officials are fond of quoting a little known study that says NGOs reach only 1% of the poor in the country---a point that NGOs are unable to dispute for lack of contrary evidence. The reality is Filipino NGOs have not developed the habit of engaging the public in their work. Unlike their counterparts in developed countries, they often have a very narrow base of volunteers and have not exerted effort at raising funds from the public because they have found it more convenient to obtain funds from generous donors. Due in large part to this orientation, Filipino NGOs are now often remarked to be suffering from a crisis of relevance. The innovations have ceased, grants continue to disappear and NGOs are closing down one by one.

Although large in number, a great majority of them are small organizations with an average of 5 – 10 staff (Abella and Dimalanta, ibid; ADB, 1999; Carino, 2002). Many of them had not established the kind of human resources and organizational systems required to institute the accountability mechanisms. Having been dependent on donor grants, many were caught unprepared when these started to disappear. Analyzing a survey conducted by the Association of Foundations (AF) of CODE-NGO members, Aldaba (2001) says less than half (47.8%) considered themselves financially sustainable. In an attempt to update the size of its members towards the late 90s, CODE-NGO discovered that they had lost around 500 of their 3,000 members.

Philippine NGOs are not spared from the issue of accountability for performance. In CODE-NGO's survey of donors (2000), the most widespread complaints about NGOs were their lack of institutional systems and mechanisms, resource constraints in terms of staffing and counterpart contributions which prevent them from being fully accountable for their projects, their inability to make their projects sustainable because of their dependence on external funding, narrow-mindedness or parochialism and lack of capacity to scale up their projects. Abella and Dimalanta (2003) write that NGOs are more focused on process than on outputs and outcomes which have become donors' favorite measures of exacting accountability. On the other hand, they claim that NGOs make

themselves vulnerable to accusations of poor performance because they use such objectives as people empowerment, consciousness-raising, or capability building which are difficult to measure; they also have poor monitoring and evaluation systems. While this can be explained by the value-oriented nature of NGOs (Fowler, 1997 quoted in Carino, 2002), it still opens them up to some donors' impression of being weak in delivering on their commitments. Constantino-David (1997), echoing Jordan, contends that the kinds of performance measurement systems that are being imposed by donors upon NGOs are rather corporate or bureaucratic in nature and contradictory to the voluntary and socially-oriented nature of NGOs. The challenge, she opines, is for NGOs to devise accountability systems that are more consistent with their nature and resist those that impinge on their flexibility and autonomy.

Accountability of CSOs

Philippine NGOs have been at the cutting edge of NGO self-regulation. The Caucus of Development NGO Networks (CODE-NGO), the biggest coalition of NGOs in the Philippines, established a Code of Conduct for Development NGOs in 1991. It was the first to establish a Code of Conduct among NGOs in Asia (Sidel, 2003) and probably one of the first in the global NGO community. CODE-NGO's Code of Conduct has since been signed by over a thousand NGOs and was recently updated to provide for clearer enforcement mechanisms. In 1998, the Philippine Council for NGO Certification (PCNC) was established by 7 of the biggest NGO coalitions. It is one of the very few government recognized NGO certification system in the world and has been the subject of discussion and possible replication by NGOs in different countries.

However, as of 2006, PCNC had certified only 1,000 NGOs---nowhere near its potential market of 6,000 NGOs when it was established.[20] While there are a number of factors that could have contributed to this less than expected performance, the challenge to PCNC (as well as the entire NGO community in the Philippines) is how to take NGO accountability through self-regulation to the next level. This is an overwhelming challenge at a time when Philippine NGOs are facing a serious crisis of sustainability and relevance. This crisis in the Philippines has strong parallelism to the global NGO situation.

The confluence of an expanding democratic space and inundation of donor funding had a damaging impact on NGO existence and operations, as mentioned previously. Donors were loose with accountability requirements because their mandate was to "push" funds towards NGOs (or government, as the case may be). There was so much money to disburse that many donors were more concerned about moving the funds to meet disbursement targets than accounting for funds disbursed. On the other hand, NGOs did

---

[20] There were 6,000 NGOs with donee institution status in the Bureau of Internal Revenue (BIR) in 1998. Part of PCNC's Memorandum of Agreement with the Philippine government when it was established is that henceforth all NGOs will be required to obtain certification from PCNC before they are granted donee institution status. All those with such status were given 3 years to obtain such certification or their status will be considered expired.

not bother about accountability because they were more predisposed to chasing after funds. To begin with, some donors were already quite loose with accounting of funds during the martial law regime, preferring not to know if their funds were being used to resist the dictator (Abella and Dimalanta, 2003).

Government did not bother with NGO accountability because they were busy spending grants or trying to close grant contracts that were already committed by donors. Accountability was simply not in the agenda because absorptive capacity was the foremost concern. Perhaps the most corrosive aspect of the funding climate was that NGOs competed vigorously to corner donor funds. Competition became so intense that, at some point, some NGOs/networks were already putting down others in order to shore up their own credibility with donors. This was exacerbated in part by the ideological rivalry of groups with competing political backgrounds since the martial law period (Constantino-David, 1997).

In addition to being favored with funds by donors, NGOs also took a high profile role in advocacy. Buoyed by their starring role in People Power I (or EDSA[21] I) in 1986, NGOs wasted no time in forming coalitions and alliances to engage government in various policy-making arenas. Living up to the commitment of the President, government, on the other hand, organized summits, established dialogue and other consultative fora and tripartite and multisectoral councils to give NGOs and other civil society organizations space to participate in government policy-making. Eventually, the passage of the Local Government Code of 1991 opened a wider avenue for people's participation all the way down to the grassroots level. All these were done on the pretext that NGOs spoke for the poor. Indeed, NGOs made strong points in invoking the perspective of the poor in the policy arena---something that was ignored by the dictator but which became an irrefutable rhetoric under a democratic environment precipitated by people power.

The question of legitimacy is one issue that has hounded Philippine NGOs of late. It is complicated by the fact that politicians have begun to organize their own "NGOs". In the advent of the Local Government Code which gave affirmative rights and representation to NGOs and POs in every development council in each barangay (village, town, city and province), local government officials have taken on the practice of putting up their own NGOs to either control representation in the local government councils, corner local government contracts or simply have a convenient vehicle with which to extract loyalty from people in the community. The latter is especially true for the spouses of politicians and for those who have lost elections and plan to make a comeback. This phenomenon has further raised disturbing questions about what NGOs are really all about, how they are related to or different from government and who they really represent. This confusion has added to questions about their credibility with the public.

---

[21] EDSA is the acronym for Epifanio delos Santos Ave. which was the historic location of the series of people revolts. It is the main thoroughfare in Metro Manila that cuts through the national military and police headquarters that stand in front of each other.

CSOs Role in Democratic Change

For most casual observers of the Philippine scene the impressive "people power" demonstrations in 1986 and 2001 that led to the overthrow of two presidents are the best evidence of the impact of civil society on politics. But since in both instances military intervention was essential for a change in leadership, the true weight of civil society influence is hard to measure. In any case, such influence was unstructured and temporary, without much carryover into the subsequent administrations. Neither Aquino nor Macapagal-Arroyo saw fit to try to institutionalize an NGO role.

Given the context that political spaces for civil society engagement both at the national and local level are ostensibly provided in policy frameworks and legal instruments, a grassroots citizen group was able to coalesce around the need for accountability advocacy. The Concerned Citizens of Abra17 for Good Government (CCAGG) is an exemplary case of an organized grassroots effort empowered to help combat corruption at the local level. It was composed of students, professionals, housewives, priests, church workers and government employees – who did not have a common denominator except a sense of outrage and discontent on how basic infrastructure projects in their province were fraudulently implemented. Indeed, CCAGG became a serious force to reckon with as far as becoming a "societal watchdog" in their province is concerned. CCAGG members used the local media (the diocesan radio,19 newspapers) and organized community meetings to inform residents about public infrastructure projects. The milestones of this whistleblower included the suspension of government officials who were found guilty of dishonesty and misconduct. Furthermore, their assessment reports were taken seriously so much so that the release of government funds for public projects in Abra is subject to their clearance. CCAGG's efforts were not only known and imitated locally but it has received national and international acclaim as well (Marcelo 2005). It was one the recipients of the first Integrity Awards given by Transparency International. An excerpt of the citation reads:

The pioneering efforts of this organization in fighting corruption at the local level are commendable and clearly demonstrate the capacity of citizens acting collectively to be a powerful force in making governments accountable (TI 2000).

Having technical knowledge and broad experience on this matter, CCAGG embarked on a participatory audit of the local government of Abra in 2002. With support from the United Nations Development Programme (UNDP) and the Philippine Commission on Audit (COA), it aimed to assess "the impact of the audited government program/project to determine whether the program/project achieved its desired results". This experimental exercise was declared a success by the government and the lessons "were later incorporated into a manual on the Conduct of Participatory Audit published by COA" (Ramkumar and Krafchik 2005: 17).

The context of an active civil society in the Philippines is contingent upon the idea that the process of democratization is an inclusive process that definitely necessitates its participation and active engagement. In fact, as much as there is a burden on the part of

the state to institute the necessary reforms and address the existing deficits in its democratic governance, civil society organizations are responsible for a substantial portion of this task. As the primary actor responsible for the transition from authoritarian rule, they cannot sit back, relax, and leave the task to the government as there remains a plethora of problems, inadequacies, and limitations of the current democratic polity.

References

Publications

Aldaba, F.T. (1993). 'The Role of NGOs in Philippine Social Transformation,' Philippine Politics and Society, 2(1): 4-5.

Alegre, A.G. (1996). Trends and Traditions, Challenges and Choices. Quezon City: Ateneo Center for Social Policy and Public Affairs.

Arugay, Aries A. 2004. "The Politics of Societal Accountability in the Philippines: A Study of the Issues, Actors, and Strategies in the Resignation, Impeachment, and Ouster (RIO) Campaign against Former President Joseph Ejercito Estrada." Unpublished MA Thesis, University of the Philippines.

Barron, B.F. (1997). Funding Civil Society in Asia: Philanthropy and Public-Private Partnerships. Hong Kong: The Asia Foundation Working Papers.

Carino, Ledivina V. (2002a). Between the State and the Market: The Nonpofit Sector and Civil Society in the Philippines. Quezon City: Center for Leadership, Citizenship and Democracy, UP National College of Public Administration and Governance.

Carino, Ledivina V. (2002b). 'Between the State and the Market: Defining the Sector in the Philippines,' in L.V. Carino (ed.), Between the State and the Market: The Nonpofit Sector and Civil Society in the Philippines. Quezon City: Center for Leadership, Citizenship and Democracy, UP National College of Public Administration and Governance.

Eaton, Kent. 2003. "Restoration or Transformation? Trapos vs. NGOs in the Democratization of the Philippines." Journal of Asian Studies 62(2): 469-496. Intersect Vol.8, No.4 (April-May 1994); No.10 (October 1994) (Institute on Church and Social Issues).

Johns Hopkins Center for Civil Society Studies (2000). Global Nonprofit Information System Project Handbook Test Workshop. The Hague, The Netherlands. 1-2 November.

Lerma, Carol C. and Jessica Los Baños (2002). 'Law and the Nonprofit Sector,' in Ledivina V. Carino (ed.), Between the State and the Market: The Nonpofit Sector and Civil Society in the Philippines. Quezon City: Center for Leadership, Citizenship and Democracy, UP National College of Public Administration and Governance.

Ramkumar, Vivek and Warren Krafchik. 2005. "The Role of Civil Society Organizations in Auditing and Public Finance Management." The International Budget Project.

Rocamora, J. (1996) 'The New Political Terrain of NGO Development Work,' Conjuncture. Institute Popular of Democracy.

Serrano, I.R. (1994). 'Civil Society in the Asia Pacific Region,' Citizens Strengthening Global Civil Society. Washington DC: Civicus, pp.271-318.

Civil Society Engagement in Indonesia

Size, Pattern, and History of Civil Society

The number of self reliant organizations or *Lembaga Swadaya Masyarakat* (LSM) in Indonesia was estimated at 4000 to 7000 organizations in 2000. While, on the other hand, the total number of non-profit organizations (NPOs) was 1,300 comprising civic, business, professional organizations and labor organizations. The aforementioned number excludes ad hoc organizations formed to achieve a particular purpose. Up to the end of December 1999 *Departemen Koperasi* (the Department of Cooperative) recorded 89,939 cooperatives, out of which 77,204 units (85.84%) were still operating and the remaining 12,735 units were stagnant (inactive). The total number of operating primary cooperatives (members are individuals) is 76,585 (85.15%) whereas secondary cooperatives (members are cooperatives units) total 619 units.

The number of non-profit organizations working for social and economic development rapidly increased when the central government provided funds to promote a nation-wide program to combat poverty known as The *Inpres Desa Tertinggal* (IDT) in 1995. There were 120,000 community organizations involved in this development program. The number of these fund-driven organizations, however, declined when the IDT program ended. Similarly, when Indonesia was hit by the Asian economic crisis in 1997, a large number of organizations established their programs to help the poor in rural and urban areas, with funds from the World Bank. The total number of non-governmental organizations, community organizations, farmer associations, and cooperative groups involved in the Social Safety-net and Credits on Agri-Business or JPS and KUT programs reached 190,000 in 1999. Due to the lack of resources or the excessive dependency on external funds, most organizations were forced to shift their focus and type of services, or even close their organizations as this external funding period expired.

Non–governmental organizations (NGOs) in Indonesia, spread over 27 provinces, undertake their activities under the surveillance of three Coordinating Bodies for National Social Welfare, National Family Planning, and Capital Investment; and also under 18 Departments, such as: Department of Finance, Cooperatives, etc. Most NGO activities are centralized in large cities. NGOs work as intermediate agencies and institutions that provide services to both funding agencies and beneficiary groups. Many NGOs have full-time staff and provide a wide range of services from grass-roots level to policy-advocacy work.

Unlike NGOs, people's organizations are not intermediate (mediating) organizations, but instead are almost solely focused on grassroots work. Usually, people's organizations are a primary group response to certain issues affecting individual members as well as the group as a whole. Membership and staffing in people's organizations are almost exclusively on a voluntary basis.

The brunt of NGOs' work and thematic focus in Indonesia is donor driven. For example, in the early 1980s, community development programs were rare. As the funding shifted to community development in the 1990s and participatory approaches specifically in 1995, many NGOs adapted appropriately.

History

For thirty-two years, the authoritarian government of Suharto's New Order undermined the development of civil society, weakening independent powers and voices of authority in the belief that an open and participatory decision-making process would endanger national stability. In other words, the New Order tried to build a strong state by weakening civil society.

During the New Order, associations were very much under state control and it would not be correct to regard them as part of civil society. Examples of state-controlled associations include *Dharma Wanita* (a state-supported organization for the wives of civil servants) and PKK (Family Welfare Education). Foundations were not directly controlled in the same way, but they were greatly circumscribed and the range of their activities was dictated and monitored by the government.

With the downfall of Suharto and the advent of the current era, occasionally referred to as "New Indonesia", a full range of citizens' organizations have emerged, freed from the previous constraints. Foremost among them are the student activist groups, but there has also been a resurgence of *adat* organizations, new village governance structures and independent trade unions, as well as a resurgence of NGOs which previously existed on the sufferance of the government.

All these citizens' organizations have an important role to play, which includes counterbalancing the authority of the state and the government in directing policy. This is an area where, until now, the state has been dominant. Until the collapse of the New Order, the government succeeded in crippling Indonesian civil society at every level by breaking up the networks within it, for example amongst interest groups, youth organizations and women's groups. Even informal institutions, like the traditional mechanisms of decision-making at the local level, lost most of their influence and function through being co-opted by the state.

The effect of this systematic emasculation of civil society was to weaken its ability to influence the government and hold it accountable. As a result, those civil and political organizations that did arise came not from the grassroots but from amongst students, academics, intellectuals and others committed to social and political activism. These individuals focused on advocacy as a means to represent the desires and interests of other segments of the populace. This is a crucial point, because it has implications for the current role of NGOs, students and other groups of "intellectuals". The technical requirements of setting up a new regime are complex and numerous, and there is a

shortage of human resources as many of the old intellectual class who collaborated with Suharto's New Order have since been discredited.

There is a lot of pressure on NGO leaders to join the government or that burgeoning class of Indonesians which is needed by the explosion of foreign-funded projects, many of them intended to help this same ill-defined "civil society". Current conditions in Indonesia are much more conducive to the development of civil society. Indonesians are welcoming the opportunities brought about by a newly democratic political life and the chance to improve the functioning of civil society institutions, which often existed only in name previously.

For the sake of a more comprehensive treatment, I will very briefly discuss the other eras with significant import for civil society.

ORBA period (1966 – 1998)

During the 1970s and 1980s NGOs practiced a social development approach. The aim of this approach is to help develop community organizations and make them self-reliant in improving their standard of living. In the 1970s LSM and LSPM emerged to extend medical services, implement efficient technology as well as build infrastructure. Their target groups were low income suburban and rural communities. The institutions involved were *inter alia Dian Desa* and *Yayasan Indonesia Sejahtera* (YIS) pioneering Posyandu (Integrated Service Depot) which later on became one of the government's programs, and *Yayasan Bina Swadaya* which made training available in the field of social development.

During the 1980s LSM/LSPM served as facilitators for people's movements by helping people to organize themselves to identify local needs and mobilize potential resources. In addition the related people's movements also made efforts in transforming social structures in communities and in every sector of development influencing social life. The corresponding movements were spontaneously generated, without any financial or other support from the national organizations.

In the 1990s NGOs operated under the people empowerment approach, which was focused on strengthening the bargaining position of low income communities. Their modus operandi was protecting and taking the side of the feeble/weak. Their emphasis was on problems of democracy and human rights (HAM), and was typified by YLBHI, INFID, Solidaritas Perempuan, Yayasan Pijar and others.

Reformation Period (1998 up to present)

The fall of Suharto in 1998 resulted in many changes in government policy. As a consequence NGOs were forced to adapt, reflecting roles they had largely held in the pre-Suharto era. A consistent finding/result of various regional *fora* was the call for a forging

of a new NGO role; a stronger political role in the on going political and democratic reforms. This movement has solidified the identity and purpose of the many NGOs/Civil society organizations fighting for democracy.

Typology

In Indonesia the term 'third sector' or 'non-profit sector' is rarely used. More commonly used terms are non-government organization, people's organization, community development organizations, and cooperatives etc. Non-government organizations (NGOs) in Indonesia rarely refer to themselves as "non-governmental organizations" except in discussions with foreigners, because of its "anti-government" connotation. These organizations prefer the terms LPSM (self-reliant community development organization, *lembaga pengembangan swadaya masyarakat*) or LSM (self-reliant community organization, *lembaga swadaya masyarakat*).

In Indonesia, civil society, locally known as *Masyarakat Madani* is still a contested term although it is widely discussed in the country. There is no general nation-wide accepted term for civil society. Civil society is seen as more than just pro-democratic movements against the state and private business domination. Civil Society refers to the notion of interconnectivity of the state bureaucracies, private business firms, and civil society organizations, as well as the balance of power structures among those three entities. Civil society organizations refer to a diverse type of non-state, non-profit organizations, religious organizations, people's organizations, non-governmental organizations, cooperatives, media organizations, and academe. Many organizations are not formally incorporated.

Third sector organizations usually are incorporated in the form of association, cooperatives, foundation, labor union, LSM, political organization and zakat organization.

Association

The government initially encouraged the existence of associations (Statute book article 1653, enacted in 1848). Since the 19th century associations have been registered with the State Court Registrar (Ministry of Justice and Human Right) (Statute book 1870).

Cooperatives

The law of Cooperatives no.25 was enacted in 1992. According to this law, a cooperative is considered as a business entity, and the primary functions of cooperatives are to build and develop the economic potency of the members; play an active role in increasing the quality of life of the society; to strengthen the people's economy; and to develop the national economy.

The government can enable the cooperatives by providing a better business environment for cooperatives and entrenching the cooperatives in the society. However, the government also has the power to disband a cooperative if it performs activities deemed to be against the law.

Foundation

A new "Law of Foundation" was enacted in August 2001. Under the new Law of Foundation, a foundation can be established only if it is registered with the Minister of Justice and Human Rights or if the foundation is not located in the capital city, with the Regional Head Office of the Department of Justice and Human Rights. In practice there are very few barriers to foundation formation as there is no minimum number of persons required to set up a foundation, and a minimum balance of funds is not explicitly required. In practice, an initial deposit is Rp.1,000,000 (±US$100) is the norm.

Labor Union

Labor unions in Indonesia have three tiers. Ten individuals of an organization can form a labor union. Five labor unions can make a federation, and three federations can form a confederation.

Self-reliant community organization (LSM)

According to the Ministry Instruction no.8 1990, concerning the governance of self-reliant community organization (LSM), the major task of self-reliant community organizations is to improve social and economic conditions as well as the welfare of local communities through community participation. Self reliant community organizations are not allowed to be involved in political activities or in any activities deemed to be against the government's rules and regulations. Therefore, the burden of regulation is placed on governors and district heads, who are required to make an inventory of and keep surveillance upon all self-reliant organizations within their territories.

*Zaka*t Organization

The law that regulates z*akat* organizations is Indonesian Law on *Zakat* Management no: 38, 1999. There is a *Zakat* organization under which they are presumably subsumed, (namely, *Badan Amil Zakat*), formed, coordinated, and supervised by the government.

Community Groups/Associations

There are 500,000 *arisan* groups in operation in Indonesia involved in mutual savings among their members called pre-cooperatives. These cooperative activities help the *arisan* members in saving significant amount of money in an informal way.

There are informal groups of people organizing around and managing prayer houses. There are 623,829 mosques; 41,874 Protestant churches; 12, 406 Catholic churches, 68,861 Hindu temples; and 7,424 Buddhist monasteries available for religious practices and educations in Indonesia (as of 2000). These organizations collect funds, build religious facilities, provide religious educations, and promote religious ethics.

USAID case study on Strengthening Institutional Capacity/Civil Society Capacity

The Asia Foundation's (TAF) program on Islam and Civil Society (ICS) in Indonesia funded by USAID since its inception in 1997 has contributed to strengthening the institutional capacities of many civil society groups. Before their involvement in the program, most of the partners had little or no experience working with international donors or undertaking initiatives promoting democracy. Moreover, many partners did not possess expertise in organizing meetings and workshops or producing publications targeted to different audiences. All this changed as a result of their partnerships with the ICS program. In interviews with the assessment team, some partners indicated that they benefited from their participation in program activities. TAF's financial and technical support enabled them to develop innovative projects, acquire new expertise, and even secure resources from other international organizations. Many partners have grown over time, although their growth cannot always be attributed to their partnership in the program. However, there is little doubt that it helped. The strengthening of Muslim civil society organizations committed to pluralism and democracy is likely to have positive effects on the ongoing democratization processes as well.[22]

Legal Framework for Civil Society/Civil Society Accountability

There are basically two kinds of civil society organizations in Indonesia which are recognized in law but operate in very different ways: associations and foundations. Associations, known as *perkumpulan* or *persyarikatan*, are formed democratically by citizens who want to get together to pursue their personal or group interests. They have members, and these members can hold the leaders accountable to them. These can operate at the local level like the *lembaga pembangunan desa* (village development institution), at the regional level like the *adat* (customary law) organizations, or nationally level like *Koalisi Perempuan* (Women's Coalition).

Foundations (*yayasan*) are groups of people who get together to help other individuals or groups. They are self-defined and accountable only to their founders. For mainly formal

---

[22] http://pdf.dec.org/pdf_docs/Pdacg325.pdf

and administrative reasons, some non-governmental organizations use *yayasan* structures as a legal basis for their organization. The term LSM (*lembaga swadaya masyarakat*) is frequently used to refer to NGOs which work to empower people.

Looking at the development of laws and regulations related to third sector organizations in Indonesia, it can be said that the government not only requires the organizations to be registered, but also regulates internal mechanisms of non profit or third sector organizations. Indonesian government requires non profit organizations to formulate a basic constitution or *anggaran dasar*, as well as to establish a formal structure of the organization. Furthermore, the government can close down any organization if it is considered to be involved in any activities against any government laws.

Third Sector Related Laws and the Implementing Agencies		
Organization	*Related Laws/Regulations*	*Registering Agency*
Associations	1. Civil Law book III chapter 9 entitled: Van Zedelijke Lichamen, article no. 1653 -1665. 2. Statute-Book (Staadsblaad) 1870- 64, entitled : Legal body for Associations (Rechtspersoonlijkkheid van Verenigingen). 3. Statute-Book (Staadblaad) 1939 - 570 bsd 717, entitled Indonesian Association (Inlandsche Vereniging)	Ministry of Justice and Human Rights
Cooperative	Co-operative Laws No.25, 1992	Regional Cooperative Council (Dekopinda)
Foundations, all non profit organizations (self-reliant community organizations)	1. Foundation Laws No.16, 2001 2. Ministry Instructions No.8, 1990 for Governing NGO 3. Consumer Protection Laws No.8, 1999 4. Government Regulation No. 59, 2001 concerning Self-Reliant Community for Consumer Advocacy. 5. Environmental Laws No.23, 1997 6. Child Welfare Laws No.4, 1979 7. Community Organization Laws No.8, 1985	Ministry of Justice & Human Rights
Labor Union	Labor Union Laws No.21, 2000	Ministry of Home

		Affairs
Political Party	Political Party Laws no. 3, 1975	Ministry of Justice & Human Rights
Zakat Organization	Zakat Organization Laws No. 38, 1999	Ministry of Religious Affairs

Association

Based on the law (Civil Law 1854, Article no.1653), to establish an association, the members should submit the proposal about the names of the members and the organization constitution to the Ministry of Justice and Human Rights. If approved the association is legitimized by the government as a legal body.

Cooperative

Cooperatives should be registered in the regional cooperative council in Indonesia. There are two types of cooperatives: primary cooperative and secondary cooperative. A primary cooperative should have at least 20 members, while secondary cooperatives should have a minimum of three.

The management bodies of cooperatives consist of:

1. members meeting;
2. management board (comprises of: the chairman, a secretary, and a treasurer); and
3. supervisors

The members' meeting is the highest policy making body. The meeting formulates the constitution that deals with determining the distribution of patronage funding, budget planning, the rules in electing the management board, as well as manner in which closing down the cooperative would be handled.

The management board can hire a manager to manage the cooperative's business. The board carries out the cooperative's routine activities, supervising the manager, as well as preparing the annual report and defending it in the members meeting every year.

The supervisors are responsible to the members' meeting for administering the cooperative's activities in accordance with the plan.

Foundation

Under the new Law of Foundation enacted in August 2001, a foundation can be established only if it is registered with the Minister of Justice and Human Rights or with the Regional Head Office of the Department of Justice and Human Rights (if the foundation is located outside Jakarta).

According to this law, the accountability of foundation is strictly regulated, with the requirement of annual report publication in local newspapers if the foundation has assets equal and more than Rp.20 billion (±US$ 2 million). Should the assets be less, the foundation can make a notification on the internal notice board of the organization's office. A public announcement should also be made when a foundation gets a donation of Rp.500 million (±US$ 50,000) or more. The audit of financial reports should be made by public accountants, and the audit report must be submitted to the relevant minister's office and reported to the Founders.

The foundation should consist of:

1. the Founder,
2. Management Board (the chairman, a secretary, and a treasurer), and
3. Supervisors. The highest authority is in the hands of the founders.

The founder(s) has/have the right to select the members of the management board and the supervisors. They are obliged to determine the foundation's bylaws to be put in the Foundation Constitution (*Anggaran Dasar*).

Regulations even extend to the establishing purpose of a foundation, acceptable avenues include social service, humanity, and religion.

All foundations established before the enactment of the new foundation law were given five years (until 16 August 2006) to adjust their organizations to the "new" law.

Labor Union

According to the Labor Union Laws no. 21, 2000, the prerequisites to set up a labor union are having a minimum of 10 members and a notary act, and registration with the Minister of Home Affairs. Every five labor unions can establish a federation, and three federations can set up a confederation. The board in the labor union should consist of members as well as a management board. They must formulate the labor union constitution (*Anggaran Dasar*).

Self-reliant community organization

Self-reliant community organization (LSM) should be:

1. Able to develop their members and provide freedom to select the board of management;
2. Formed based on the same interest, hobby, profession or similar objectives;
3. Not for profit.

According to the Ministry Instruction no. 8 of 1990, there are several functions of the LSMs, which are

1. creating a society to improve community welfare;
2. to become a place for society to participate in the country's development process

Other Laws that regulates self-reliant community organization are:

Law of Consumer Protection no.8, 1999 (article 44), states that the government should give opportunity to self-reliant community organizations to play active roles in consumer protection.

Their activities include:

a. Dissemination of information to increase consumer awareness in consuming good product or services.
b. Giving advice to consumers.
c. Working together with related government organizations to carry out consumer protection activities.
d. Advocating for the consumers in defending their rights.
e. Supervising the implementation of consumer protection law together with the government.

Every NGO/NPO is the object of the following tax laws:

1. Republic of Indonesia Law no. 16, 2000, concerning: Common Rules and Method of Taxation (*Ketentuan Umum dan Tata Cara Perpajakan*)
2. Republic of Indonesia Law no.17, 2000, concerning: Income Tax
3. Republic of Indonesia Law no.18, 2000, concerning: Value Added Tax for Product and Services (*Pajak Pertambahan Nilai Barang dan Jasa, dan Pajak Penjualan atas Barang Mewah.*)
4. Republic of Indonesia Law no.19, 2000, about: The Rule of Debt Collection (*Penagihan Pajak dengan Surat Paksa.*)
5. Republic of Indonesia Law no. 20, 2000, regarding: Land and Building Taxation (*Bea Perolehan Hak atas Tanah dan Bangunan.*)
6. Republic of Indonesia Law no. 34, 2000, regarding: Regional Tax and Restribution (*Pajak Daerah dan Retribusi Daerah.*)

According to Tax Law no.16, 2000, cooperatives, foundations, associations, social organizations, political organizations, and any other third sector organizations are obligated to pay income tax. Based on Tax Law No.17, 2000, income tax is imposed on every income gained, patronage refund distributed by cooperatives, and membership fees.

Income tax is not imposed on: donation, *zakat*, and bequest received by organizations, as well as dividend accepted by cooperatives as long as they have more than 25% share in the company that distributes the dividend.

Donations are also not taxed, when given to social organizations, churches, mosques, or cooperatives. Yet, until now, no law provides any income tax rebate for corporate or individual donations. Currently, some NGOs are advocating for such laws, so as to encourage more companies to give donations to NPOs.

Preparation of an NGO Code of Ethics/Case Study in Internally Driven Accountability

Since 2002, LP3ES (the Agency for Research, Education, Economic and Social Development) a national NGO, has taken the initiative to prepare and implement a code of ethics and to establish an NGO association or umbrella organization, particularly for NGOs that are working in community-based social and economic development. The preparation of the code of ethics and the establishment of the NGO association has been carried out through a number of meetings, seminars and workshops with the NGO community and involving stakeholders such as the government and private sector. The program has been organized in provincial capitals, involving at least 500 local NGOs.

The program eventually managed to formulate a written code of ethics. The code, signed by 252 NGOs from eight provinces, contains matters related to integrity, accountability and transparency, independence, anti-violence, gender equality, and financial management, including accountability to external parties such as beneficiaries, government, donors, other NGOs and the public at large. There are a number of points in the code of ethics that may be considered important to improve NGOs' accountability and transparency as nonprofit organizations, including: a) an NGO is not established for the purpose of profit making for its founders; b) an NGO is not established in the interests of its founders but is intended to serve the people and humanity; c) all information related to its mission, membership, activities and financing are basically of public nature and is therefore available to the public; d) an NGO utilizes bookkeeping and financial systems that are in accordance with acceptable accounting standards.

The NGOs participating in formulating the code of ethics also agreed to establish regional associations of NGOs, which are responsible for the implementation of the code, and to help NGOs in their capacity building. Future challenges for the NGOs that have accepted the code of ethics is how to apply it consistently in each organization and sanction those in violation, so it will not become merely an on-paper agreement.

NGO Certification Program

*Satunam*a, a Yogyakarta-based NGO that is active in education, training and management consultancy, has launched a program called "Certification of Indonesian NGOs". The program is intended to improve NGO public accountability and management performance in order to strengthen partners' trust in NGOs and to make NGOs capable of serving their advocated groups well.

The program began with a national seminar and workshop in Yogyakarta in November 2002, attended by 50 NGOs, all with five or more years of experience and from various provinces in Indonesia. The workshop produced a task force consisting of 12 NGO leaders to formulate future work programs and preparation of instruments required for a certification program.

During preparation of the instruments, the program received valuable inputs from the Philippine Council for NGO Certification[23]. The task force has formulated a program vision ("the establishment of democratic, responsible, transparent, sustainable, trustworthy NGOs supported by the society") and a mission statement ("to help NGOs to be more ethical and responsible, to achieve good performance levels, gain better access to resources and be widely accepted by the society").

The task force, as of 2005, was conducting a series of activities, that include the establishment of solid instruments, procedures and certification standards; a public campaign for NGO certification; the establishment of an NGO Certification Agency; advocacy campaigns for tax law reform and laws for the nonprofit sector; and a program designed for NGO capacity building and implementation of various types of necessary technical assistance. It is recognized that the future central issue of the program will be NGO accountability and transparency, with certification being one of the instruments that will be developed.

The Influence of Civil Society Organizations on Democratic Processes

The fall of the Suharto regime and the ensuing democratization process in Indonesia led to the emergence of a discourse on good governance, accountability and transparency of public institutions. NGOs that were active in monitoring the activities of state and other political institutions emerged and became known as "watchdog" organizations. Starting with the heavy involvement of NGOs in the 1999 election, nowadays almost all aspects of state institutions are being watched by NGOs. The Indonesian public recognizes various organizations such as Indonesian Corruption Watch (ICW), Parliament/legislative watch (DRP-Watch), Government Watch (GOWA), Police Watch (PolWatch), and budget watch (FITRA).

To engage more effectively in promoting just public policies, Indonesian NGOs have also grouped themselves in a number of coalitions to carry out advocacy to change, influence

---

[23] I can add this to the Philippine Case

and/or draft new laws. Examples of such coalitions are the NGO Coalition for the Foundation Law, the NGO Coalition for the Public Freedom to Information Law, the NGO Coalition for a New Constitution, and the NGO Coalition for the Participatory Law-Making Bill. However, alliance building among Indonesian NGOs has so far never reached the level of a nation-wide coalition, such as in many other countries. What is still missing is an organization that monitors the NGOs themselves, or at least a professional association of NGOs, although there have been small strides (the previous section suggests optimism).

Citizens in Indonesia have a myriad of ways making their voices heard, fill spaces opened by democratization and decentralization, and are in the process of building a new relationship with the state. Since the fall of Suharto, it has been truly possible for citizens to express their voices in public and speak out about what they feel important in life. In spite of continued state-sponsored corruption and power abuse, civil society grows and is strong. There remains today a flowering of new ideas and social actors, as people who had been denied participation for a long time sought to get involved.

There is a momentum for negotiating and reformulating the balance of power between the state and its citizens. NGOs have an important role to play in this. This has been made possible by the continued freedom of assembly and the freedom of press. Newspapers are free to write what they want, and are often very brave in doing so. There are dozens of television talk shows, discussing in very open and inclusive manners the problems of government and society.

CHALLENGES FOR INDONESIAN NGOs

The rapid growth of civil society and the increasing discourse on good governance have caused anxiety among the NGO community in Indonesia and critiquing NGOs has increasingly entered the media and public discourse. Although it has had positive impacts on the democratization process, it is now more generally understood that the explosive growth of new NGOs during the last five years has also created problems of quantity versus quality.

Some even question the growth as "too much, too fast" (McCarthy 2002). Many organizations that were established after the fall of Suharto and call themselves NGOs have questionable objectives, and some of them have been involved in malpractice, and have thus affected the reputation of NGOs in general (Ganie-Rochman 2000). These include NGOs that sold subsidized rice destined for the poor; NGOs established just for the purpose of gaining access to development projects; NGOs established by political party activists to mobilize funds and support to gain political power; as well as NGOs acting as debt collectors or specializing in mobilizing mobs for hire. There have been newspaper articles about the "Billion rupiah business of NGO" (*Bisnin Milyaran LSM*) and allegations of corruption and misuse.

Some activists in Indonesia have started to reconsider the basic principles of NGO existence. People are asking questions such as, "What is an NGO? Why does it exist and what are the bases for its legitimacy? How can NGOs be accountable to their constituents and stakeholders and how can this accountability mechanism be established?" Discussions surrounding these questions were first attempted to be answered through a number of workshops and seminars conducted in 2002-2003. These workshops, which also included foreign resource persons, covered issues of NGO legitimacy and accountability in a comprehensive way. The workshops covered mapping of all sources of NGO legitimacy and existence, NGO constituents and stakeholders, various accountability mechanisms, applications of principles of NGO internal governance; and developed an action plan to improve NGO integrity and credibility.

As already mentioned, there is no umbrella organization for NGOs in Indonesia yet. In other countries, such umbrellas can function as a representative in promoting the existence and the interests of NGOs to outside parties and serve internal capacity building purposes for its members. The absence of such an organization may be related to the traumatic history of Indonesian NGOs, who always tried to avoid unity to avoid being co-opted by the Suharto authoritarian regime or used as a political vehicle by opportunistic NGO leaders.

Indonesian NGOs are coming from a politically marginalized position, burdened with overblown expectations. While the number of NGOs has grown significantly since 1998, as part of a broader development in which Indonesian civil society is truly coming into its own, most NGOs have little experience in positively engaging with government, the corporate sector or other stakeholders. The *reformasi* period has established a new strategic environment for NGOs, considerably more complex and difficult to navigate than the simple pro- or contra Suharto dichotomy that set the framework during the previous decades.

Moreover, even though the new environment for civil society and NGOs is certainly more open in terms of access to information and possibilities to organize civil life, such is no guarantee for a welcome reception of NGO contributions to public and political discourse. Several challenges remain that must be confronted by Indonesian NGOs for them to be an effective part of civil society. On top of the list is a reformulation of NGO positions vis-à-vis the state (government) and various other sectors in the society. With the emergence of democracy, power is no longer centralized but distributed among new power centers such as parliament, political parties, and judicial institutions. The critical stance taken by some NGOs, who consider themselves watchdog organizations, towards all state institutions has a tendency to disregard the real progress in decentralization of power and democratization that has taken place. New local governments and local parliaments also need time to learn how to do their job. By the same token, NGOs are in a process of learning how their "watchdog" function is part of an equation in a process of creating checks and balances, and no longer suggests a self-standing political agenda. In addition, the role of public watchdog is no longer monopolized by NGOs, but is shared – and has to be shared – with other actors, foremost the media but also academia and other civil society organizations. Accusations against the political aspect in the NGOs role

remain, but are now made by political parties instead of the government. NGOs are still branded as agents of foreign interests and traders of poverty, especially due to the fact that there have been corrupt practices among NGOs themselves. Politicians have started to ask questions regarding NGO legitimacy and how much they really represent the interest of their constituents.

The situation seems to be unfavorable for the immediate future of the NGOs without a breakthrough on relations and interactions with government and other sectors in the society. There is a need for a genuine two-way dialogue with the government and private sector to develop trust, as well as a common cause. This change from protest politics to developing strategies of engagement means bringing changes towards a better Indonesia through the process of lobbying and negotiations.

Even if advocacy and watchdog functions are better balanced with effective service delivery, building a healthy NGO sector is not an easy task in a country with a strong predatory state and a weak and unaccountable civil society. Some of the lessons from the Indonesia case are the dangers of project- and donor-driven NGO development. Since donors have a tendency to work with articulate, efficient, groups in the center, rural mass-based movements are often out of the picture. There are very few alternative sources of income for the civil society sector today.

In order for the accountability and responsibility of NGOs to take root in Indonesia, there are a couple of pre-conditions. One is that funding agencies begin to realize that accountability is not only accounting: donors need to hold grantees to high standards of public accountability.

It is also important that the philanthropic sector expands in Indonesia, so that civil society organizations in Indonesia become less dependent on foreign funds, and in that process start to relate increasingly directly to Indonesian stakeholders, being more responsive to local developments.

Revenue Sources for NGOs/CSOs

According to the government provisions applied by the Directorate General of Social Politics, Department of Home Affairs the LSMs, in principle, have to rely on their own resources. The LSMs can accept aid given by third parties (domestically or internationally) if it does not harm Indonesia's national interests. The LSMs receiving overseas aid in the form of funds, expertise, equipment and services are subject to the related prevailing procedures and provisions.

Most funds received by many large voluntary organizations come from foreign donors such as: USAID, CIDA, UNDP, Ford Foundation, CCA, USC, etc. A recent small sample survey by Rustam Ibrahim, the chairman of YAPPIKA, a resource organization, indicates that among 25 major NPOs surveyed, 28% rely entirely on foreign donations, and the rest obtain funds from a mix of foreign and domestic sources. Domestic sources of funds

originate from members' fees or savings, individual grants, government grants, and other service delivery activities. Foreign funds come in the form of grants (51%) and loans.

In the case of organizations in the education and health sectors and a few of cultural organizations, the primary sources of funds are sales of services, in addition to the funding aid given by the government, and domestic and international donors.

In religious organizations, business and professional associations, the primary fund sources are contributions given by the corresponding members.

Zakat collecting organizations, such as *Dompet Dhuafa Republika* and *Lembaga Amil Zakat* distribute the collected funds among the poor and other organizations offering services to the needy.

Other situations of note are:

Cooperatives

During the New Order regime, co-operatives were treated as government's tools, as shown in Rural Trading Co-operatives (KUD) distributing rice. During President Habibie's period, co-operatives were given subsidies in order to expand their activities over the community. The government, for instance, distributed funds for anyone who wished to set up a farmer co-operative, called farmer's fund (*Kredit Usaha Tani /KUT*). This effort resulted in the booming of not only farmer cooperatives, but also other cooperatives from 50,000 to ±100,000. However, almost half of those cooperatives then 'died' or became inactive, because the primary motive for the formation of cooperatives was to take advantage of the funds provided by the government - soon after the funds were used up, the cooperatives 'died'.

Besides receiving funds from donations, the cooperatives obtain funds through their business activities and members' savings. The types of members' savings are: 1) Initial deposit at the time of registration; 2) compulsory saving; and 3) Non-compulsory saving. The cooperative's capital comprises of equity capital and loan. Equity capital consists of: members' savings, reserve capital, and bequest, whereas loan can be acquired from members, banks, financial institutions, bond, and other legitimate sources including the government.

Foundations

The funding for foundations comes from the founders, donors, bequest, dividend, deposit interest, etc. The new Law of Foundation (2001) suggests that 75% of the assets should be used purely for social activities, while the rest can be used for related activities in accordance with the mission and objectives of the foundations.

Labor Union

The labor unions obtain funds from member contributions as well as from overseas donations. The overseas donations must be reported to the Minister of Manpower and Transmigration.

Today, in addition to a variety of foreign assistances, funds from the local social, private, corporate, and religious organizations are considered as vital sources to help the country cope with its varied problems. Such local financial sources are becoming crucial for non-governmental organizations (NGOs) and other civil society organizations (CSOs) to reduce their dependency to foreign funding agencies.

Stage of Democracy as Factor Influencing Civil Society

The period of Abdurrahman Wahid to Megawati Sukarnoputri initiated a movement towards the consolidation of democracy in Indonesia. Constitutional reform provided for the direct election of the president and vice president and reorganized the legislative branch. The restructuring of the legislative branch created an upper house, the Regional Representative Council (DPD), which along with the lower house (DPR), forms a bicameral legislature known jointly as the new People's Consultative Assembly (MPR). The MPR existed previously but now has reduced authority as a result of the reforms. The legislative and first-ever direct presidential elections held in 2004 were both a challenge and a success, with more than 120 million people participating in the national, provincial, and district elections.

Begun in 2004, many hailed Susilo Bambang Yudhoyono's presidency as a success. He is credited with tackling corruption, implementing necessary but sometimes unpopular economic reforms, and ending one of Indonesia's longest and most violent conflicts in Aceh. The peace accord signed by the Government of Indonesia (GoI) and rebels from the Free Aceh Movement (GAM) in 2005 ceased the violence and both sides seem committed to peace. Implementation of the agreement and the law on governance has moved forward and a new governor was elected in December of 2006.

While the executive branch remains popular with the public, the public's perception of the legislative branch is persistently negative. The Regional Representative Council (DPD) has not yet defined its role and some regard the National Legislature (DPR) as ineffective. (Wolters 2002: 135)

References

Analysis CSIS. Empowerment of the Poor. Tahun XXVI, No.1 January- February 1997.

Anwar, Jeffry (1996). *Needs Assessment of 12 NGOs Working with Street Children and urban Poor in Jakarta.* Private Agencies Collaborating Together (PACT) Indonesia. PACT-YKAI.

Anwar, Jeffry et. al (1999). *Institutional Development for Non-governmental Organization: A Training Guide*. PAKTA-AUSAID

Central Bureau Statistics (1999). *Statistical Year Book of Indonesia 1999.*

Home Affairs Ministry (2000). *Data of Home Affairs Ministry of the Year 2000.*

Ibrahim, Rustam (Ed) (1997). *Non-governmental Organization Agenda Towards the Year2000*. CESDA-LP3ES.

Kompas, December 4, 2000. 'Community Actions Against State Domination'.

Kompas, March 7, 2000. 'Non-governmental Organization: A lobby for the grassroots'.

INFID. "Statement by the 12th INFID Conference, Bali, Indonesia, September 14-17, 1999."

Hikam, Muhammad AS , 1996 *Demokrasi dan Civil Society.* Jakarta: LP3ES.

Wolters, Willem, 2002 'The making of civil society in historical perspective'. In Henk Schulte Nordholt and Irwan Abdullah (eds), *Indonesia in Search of Transition*. Yogyakarta: Pustaka Pelajar.

Mitsuo, Nakamura et al. (eds) 2001 Islam and Civil Society in Southeast Asia. Singapore: ISEAS.

Hefner, Robert W. 2000 *Civil Islam: Muslims and democratization in Indonesia.* Princeton: Princeton University Press.

Ibrahim, Rustam (Ed) (1997). *Non-governmental Organization Agenda Towards the Year2000*. CESDA-LP3ES.

Ismawan, Bambang (1999). *Empowerment of The Poor: Reflections of an Non-governmental Oganization Activist*. Puspa Swara.

Zaidi, Zaim (1995). A cup of Coffee Max Havelaar: Non-governmental Organization and the Rise of Community. Gramedia Pustaka Utama and Indonesian Consumer Association

- 1.5 million NGOs working in India (IndianNGOs.com estimate)

- Estimates vary, depending on the source, between 1 million to 2 million

What is the general size of NGOs?

PRIA had done extensive research on the NPO (NGO/CSO) Sector and its publications indicate the following:

Paid Staff	% of NGOs
One or less paid staff	73.4%
Between 2 to 5 paid staff	13.3%
Between 6 to 10 paid staff	04.8%
Above 10 paid staff	08.5%

How many people work in the NPO sector?

PRIA research indicates the following:

All India / State	Number	Volunteers	Paid
All India	19.4 million	85%	15%
West Bengal	1.52 million	90%	10%
Tamil Nadu	1.49 million	72%	28%
Delhi	1.03 million	80%	20%
Maharashtra	0.77 million	89%	11%
Meghalaya	0.12 million	83%	17%

Nature of Civil Society Organizations in India

Nature of Activity	Percentage	Ratio
Religious (engaged in social development though primary identity is a religious institution)	26.50%	Every fourth voluntary organization
Community/ Social Service	21.30%	Every fifth
Education	20.40%	Every fifth
Sports/ Culture	18.00%	Every sixth
Health	6.60%	Every fifteenth

 Source: PRIA. 2003

Number and Pattern of Growth

Sen (1997) notes that the non-profit sector in India includes religio-political institutions, institutions that have emerged from or nourished social movements, voluntary organizations, community based or grassroots organizations, welfare wings of religious organizations, business associations and associations for promotion of art, science & culture. It includes a range of institutions, which are outside the government and can include voluntary grass root organizations, community based organizations, intermediary voluntary development organizations, private consultancy and research groups, academic institutions, and even parts of the media. India has also seen the growth of cooperatives and trade unions which also fall under the broad conception of a third sector.

The Indian spectrum provides a kaleidoscope of organizations. There exist traditional associations in the form of caste associations, ethnic associations, kinship associations and modern associations such as professional associations of lawyers, doctors, engineers, nurses etc. They co-exist with development organizations, which provide services to the needy and poor. Public advocacy, research and support organizations also exist in various forms (PRIA. 2000).

Given the Indian context it is rather difficult to bring the entire gamut of civil society initiatives under one common definition and characterization, every known terminology seems to leave out some initiatives out of their purview. What makes the Indian civil society vibrant and at the same time complex, is the emergence of innumerable ad-hoc initiatives. A typical example could be a group formed to raise money and celebrate Public Ganesha worshiping or *Dassera* celebrations or a community initiative to clean up the village tank. These initiatives do not last for more than a few days, but then are

integral to the Indian voluntary sector. Therefore, definitional issues continue to be an important issue among third sector researchers and practitioners in India.

Though the term NGO became popular in India only in the 1980s, the voluntary sector has an older tradition. Since independence from the British in 1947, the voluntary sector had a lot of respect in the minds of people - first, because the father of the nation Mahatma Gandhi was an active participant; and second because India has always had the tradition of honoring those who have made some sacrifice to help others.

In independent India, the initial role played by the voluntary organizations started by Gandhi and his disciples was to fill in the gaps left by the government in the development process. The volunteers organized handloom weavers in villages to form cooperatives through which they could market their products directly in the cities, and thus get a better price. Similar cooperatives were later set up in areas like marketing of dairy products and fish. In almost all these cases, the volunteers helped in other areas of development - running literacy classes for adults at night, for example.

In the 1980s, however, the groups who were now known as NGOs became more specialized, and the voluntary movement was, in a way, fragmented into three major groups. There were those considered the traditional development NGOs, who went into a village or a group of villages and ran literacy programs, encouraged farmers to experiment with new crops and livestock breeds that would bring more money, helped the weavers and other village artisans market their products and so on - in short became almost a part of the community in their chosen area (usually in rural India) and tried to fill all the gaps left in the development process by the government. There are many examples of voluntary organizations of this kind running very successfully in India for the last five decades. Perhaps the most celebrated example would be the treatment center for leprosy patients run by Baba Amte in central India.

The second group of NGOs were those who researched a particular subject in depth, and then lobbied the government or with industry or petitioned the courts for improvements in the lives of the citizens, as far as that particular subject was concerned. A well-known example of an NGO of this type is the Centre for Science and Environment. It famously drew a sample of well water and then submitted the results of the chemical analysis to a court because the organization had not been able to get the factory to change its polluting practices through other avenues.

In the third group were those volunteers who saw themselves more as activists. This is not to suggest that activism was limited to these groups as NGOs routinely petition bureaucrats, alert the media and so on. However, this third group of NGOs saw activism as their primary means of leveraging action. Perhaps the best-known example of an NGO in this category is the Narmada Bachao Andolan (Save Narmada Campaign/NBA), an organization that opposed the construction of a series of large dams in a large river valley of central India. Their opposition was based on forecasts that large dams would exacerbate water shortages for the majority of the people in the long run as well as the related displacement it would entail upstream of the dam. Most of the NBA members were jailed as a result of their vocal and visible opposition.

There is no strict way to delimit the three groups of NGOs, in fact, Baba Amte is now an important member of the Narmada Bachao Andolan.

Legal Basis and Framework

Nonprofit organizations in India are governed at the state level by the office of the charity commissioner (if the organization is a charitable trust) or the registrar of societies (if the organization is a society) and at the federal or national level by the income tax authorities. In case the organization receives contributions from a foreign source, the Home Ministry regulates the same.

In the Indian context, incorporation of a non-profit entity could be under any of the following legislations with all the regional variations within each law. There are also mechanisms whereby the court monitors the charitable and religious organizations by bringing them under the court directed laws. The various Trusts Acts, the Societies Registration Act, and the Income Tax Act do not mention voluntary organizations specifically, but only refer to organizations of "Charitable Purpose." A number of voluntary organizations, though are forced to register under some of these rather archaic Acts, do not quite identify themselves as "charitable" or their work as being for "charitable purpose." This is particularly the case with regard to modern development-oriented voluntary organizations.

- The Societies Registration Act, 1860
- The Indian Trusts Act, 1882
- The Bombay Public Trust Act, 1950
- The Co-operative Societies Act, 1904
- The Trade Union Act 1926
- Section 25 of the Indian Companies Act, 1956
- The Religious Endowment Act, 1863
- The Charitable and Religious Trust Act. 1920
- Wakf Act, 1954
- The Multi State Cooperative Act 2002
- The State Cooperative Acts and the Mutually Aided Type Cooperative Acts in different States

There has been an important move towards governmental transparency brought on by a relatively recent piece of legislation. From 12 October 2005, the Right to Information Act (RTI Act), 2005 became fully operational across India. The Act provides people in India the right to access government-held information and requires systems to be set up for ensuring transparent and accountable government. This act frames both important new avenues of CSO work as well as a "freer" climate in which civil society organizations operate.

The Act covers public authorities at the national, state and local levels, and duty holders who have obligations to deal with citizens. The Act includes institutions of self government such as Panchayati Raj Institutions (PRIs) and municipalities within the definition of the term "public authorities". The purpose of the Act is to create an informed citizenry capable of participating in the decision-making processes of government at all levels.

A concomitant objective of this law is to empower people to hold government and its instrumentalities accountable to their decisions and actions. Participation in the absence of information about the policies, programs and processes of decision making is next to impossible. In this context, the right to information becomes a key tool for ensuring that public authorities more effectively meet their goal of promoting participation and entrenching accountable government at the grassroots level.

It has been two years since the RTI act has been enacted, yet its use has been limited to the larger towns and cities. Its use, especially in the rural areas has been very low, mainly due to the fact that there has been hardly any training, orientation programs or large-scale awareness generation campaigns amongst the rural masses. Lack of awareness and training are the main reasons why people find it difficult to access information from various government bodies. This creates a unique and important opportunity for civil society organizations, especially those working at the grassroots in rural areas, to help citizens take advantage of the landmark legislation. More specifically they have the responsibility to spread awareness about this Act amongst the people and monitor its implementation.

Capacity of CSOs

(*A case study illustrative of one CSO's capacity, and limiting agents on general CSO capacity*)

An innovative movement in the state of Rajasthan has substantially altered India's public discourse on how best to combat forms of corruption which particularly afflict the poor. Spearheaded by the Mazdoor Kisan Shakti Sangathan (MKSS), or Workers and Farmers Power Organization, this movement demands and frequently obtains access to official expenditure records which citizen-activists then cross-check in a kind of people's audit. The MKSS's collective process has exposed fraud in several local governments, deterred further malfeasance in others, influenced legal debates[24], and generated a wider campaign for legislative and regulatory change at the state and national level.

Several organizations within India's vast and varied civil society share either the MKSS's concern for empowering the poor by halting the theft of public resources intended for them, or its enthusiasm for actively challenging the culture of bureaucratic secrecy – but not both. Many environmental activists, for instance, demand access to government

---

[24] Jenkins and Goetz (1999).

information; their primary aim, however, is not checking misuse of public funds intended for the poor. Other groups share the MKSS's preoccupation with combating corruption, but without emphasizing the type of popular auditing which only access to official records makes possible. In short, no other group has brought together the otherwise over-used and under-specified ideas of transparency and accountability in such a creative, consistent, and collective fashion. This treatment suggests reasons why it is particularly difficult for civil society to organize effectively to curb forms of corruption which disproportionately harm the poor.

The MKSS is a grassroots organization of mainly poor people based in Rajasthan's economically underdeveloped Rajsamand district. It has described itself as a "non-party political formation".[25] It relies for support less on its relatively small formal membership than on its much larger informal following. The driving force behind the MKSS is a combination of local people from socially excluded groups and a handful of committed activists from other parts of India who, since the late 1980s, have made the area their home. The MKSS distinguishes itself from conventional non-governmental organizations (NGOs): instead of channeling external funds or focusing on service-delivery, it addresses issues of concern to the poorer sections of local society through mass action and strategic confrontation with the state administration.

The MKSS's interest in the right to information arose from its work in the late 1980s and early 1990s on livelihood issues, particularly the failure of the state government to enforce minimum-wage regulations on employment-generation programs in drought-prone areas. This generated a belief that access to official documents was an essential part of the struggle to demand accountability from local authorities. The MKSS's campaign to secure minimum wages for employees on drought-relief works highlighted the role of corruption in the underpayment of wages, as it became clear that local authorities were billing the central and state governments for amounts that far exceeded what workers were paid. This could only be confirmed by examining the financial documents pertaining to specific schemes, and checking these against the experience of workers. Other malpractices included inflated estimates for public-works projects, the use of poor-quality materials, and over-billing by suppliers. To combat these forms of fraud, access was required not only to balance sheets, but also to supporting documentation which could be cross-checked by workers organized through the MKSS – for instance, employment registers and bills submitted for the purchase of materials.

The MKSS gets this documentation by appealing to the virtue of sympathetic bureaucrats, or through public protest action aimed at those with less active consciences. Its key innovation is the collective analysis of official information. In locally organized jan sunwais – or "public hearings" – expenditure statements derived from official records are read aloud to assembled villagers. These orderly hearings are presided over by a panel of respected individuals from within and outside the area. Local people are invited to give testimony which identifies discrepancies between the official record and their own

---

[25] In using this descriptor, the MKSS follows a stream of thinking on the role of voluntary organizations in Indian politics which can be traced to the theorizing of Rajni Kothari, who coined the term in the mid-1980s. For a later elaboration of this concept, see Kothari (1990).

experiences as laborers on public-works projects or applicants for means-tested anti-poverty schemes. Through this direct form of "social audit" many people discovered that they had been listed as beneficiaries of anti-poverty schemes, though they had never received payment. Others were astonished to learn of large payments to local building contractors for works that were never performed. This approach depends upon a principle of collective and very local verification of official accounts, as it is only at the local level that the many small diversions of funds, which go unnoticed in massive formal audits, can be detected.

Although successful in exposing corruption in a number of localities, jan sunwais have been relatively rare because of the difficulty in obtaining certified copies of government accounts from reluctant officials. In response, the MKSS developed a parallel strategy involving large-scale public protests. The objective: legislative and regulatory reforms to provide a legal basis for local efforts to obtain official records. The main demand is that citizens be entitled to photocopy government documents, except those with national-security implications. In early 1999 the state's new chief minister appointed an official committee to develop a non-statutory system for improving access to information. It has already insisted that secrecy will remain the norm: only specifically indicated items will be available, and even then not in undigested form.

What MKSS's experience seems to indicate is that anti-corruption campaigns require both broad-based participation in protest action and grassroots initiatives to involve ordinary people in auditing public expenditure at the local level. The latter in particular is missing. This is because many organs in civil society who would be expected to contribute substantially to pro-poor anti-corruption movements are themselves "compromised"; they are implicated in the system which perpetuates corruption. For present purposes, one is worth considering.

Many traditional non-governmental organizations (NGOs) engage in dubious business practices. In India, as elsewhere, many are outright crooked, siphoning funds to those who control them. Others are more complicated: their lack of institutional capacity means that they are unable to monitor intermediaries who deliver funds and services, leading to resources being pilfered further down the line. Another segment of the NGO community consists of organizations which are both clean and efficient, but nevertheless dependent on the government's good will to operate with any degree of effectiveness. They are vulnerable to intimidation, especially if they receive foreign funding.

Surveying India's NGO community for potential replicators of the collective-verification approach pioneered in Rajasthan's jan sunwais, one finds few signs of hope. Senior representatives from two large foreign-funded NGOs in southern Rajasthan explicated that they had no intention of pursuing the sorts of methods the MKSS had, though they were willing to admit the impact which both the right-to-information demand and the jan sunwai approach had achieved. The fear of backlash from the state appeared to be a barrier to the NGOs's unwillingness to champion participatory auditing despite their

involvement in projects ostensibly designed to make local government more responsive to the poor. (*case end*)

(*2nd Case*)

After more than a decade of monitoring by civil society organizations, the city of Bangalore in southern India has achieved real progress in improving the quality and cost-effectiveness of its public services.[26]

The Public Affairs Centre (PAC) in Bangalore has done pioneering work on Citizen Report Cards (CRCs) over the past decade. The first report card on Bangalore's public agencies in 1994 covered municipal services, water supply, electricity, telecommunications and transport. Since then, PAC has brought out report cards on several other cities and rural areas, and also on social services such as health care. But since it has tracked services for a longer period in Bangalore, I shall refer only to this case.

The findings of this first CRC on Bangalore were most striking. Almost all the public service providers received low ratings from the people. Agencies were rated and compared in terms of public satisfaction, corruption and responsiveness. The media publicity that these findings received, and the public discussions that followed, brought the issue of public services out in the open. Civil society groups began to organize themselves to voice their demands for better performance. Some of the public agencies responded to these demands and took steps to improve their services. The inter-agency comparisons and the associated public glare seem to have contributed to this outcome. When the second report card on Bangalore came out in 1999, these improvements were reflected in the somewhat better ratings that the agencies received. Still, several agencies remained indifferent and corruption levels continued to be high.

The third CRC on Bangalore, in 2003, showed a surprising turnaround in the city's services. It noted a remarkable rise in the citizen ratings of almost all the agencies. Not only did public satisfaction improve across the board, but the incidence of problems and corruption seem to have declined perceptibly in the routine transactions between the public and the agencies. It is clear that more decisive steps had been taken by the agencies to improve services between 1999 and 2003.

What accounts for this distinct turnaround in Bangalore's public services? And what lessons can we learn from this experiment? Needless to say, without deliberate interventions by the government and the service providers, no improvement would have taken place in the services. But the key question is what made them act? A multitude of factors seems to have been at work. The new Chief Minister who took over in 1999 was very concerned about the public dissatisfaction with the city's services. He set in motion new mechanisms such as the Bangalore Agenda Task Force, a forum for public-private partnerships that helped energize the agencies and assist in the upgrading of the services.

---

[26] http://paf.mahiti.info/pdfs/CRC_Profile_eamonedit_.pdf for more on Citizen Report Cards in this context

The civil society groups and the media supported and monitored these efforts. It is significant that the initial trigger for these actions came largely from the civil society citizen report cards initiative.

What are the preconditions for such civil society initiatives to work? It is obvious that these initiatives are more likely to succeed in a democratic and open society. Without adequate space for participation, CRCs are unlikely to make an impact. A tradition of civil society activism would also help. People should be willing to organize themselves to engage in advocacy and seek reforms supported by credible information. Political and bureaucratic leaders must have the will and resources to respond to such information and the call for improved governance by the people.

The credibility of those who craft CRCs is equally important. The initiators of the exercise should be seen as non-partisan and independent. They need to maintain high professional standards. The conduct of the survey and the interpretation of the findings should be done with utmost professional integrity. A report card does not end with the survey and its publication. Much of the advocacy work that follows will draw upon the report card findings. The CRC thus is a starting point, to be followed by further action through organized advocacy efforts, including civic engagements and dialogues with the relevant public agencies.

Accountability of CSOs

- ✓ In Mawdsley et al. (2002) the example of the Indian government is given as a body attempting to institute an NGO code of conduct as a tool for regulatory control. Nevertheless, it is a widely held belief in the Indian Civil Service that NGOs should regulate themselves, using a peer monitoring system. At present, Indian NGOs prefer to set up codes of practice, asking members to comply and based on trust as embodied in the Indian Charities Aid Foundation's 'validation process' that was submitted to the Indian Government in 2001. In the future, if the government keeps pushing for such measures, Indian NGOs may have to opt for self regulation and openness via a more formalized code of conduct to resist both government and donor imposition of unreasonable workloads and limitations.

- ✓ PRIA (The Society for Participatory Research in Asia) began to provide organizational development consulting services to Indian civil society organizations and movements in the early 1990s. At the time, many international donors sought to strengthen the capacities of the CSOs they supported. Several approached PRIA to do organizational diagnoses of their CSO partners that were perceived as having difficulties.

    PRIA hoped to develop organizational capacity building as a major program—but its leaders also saw tensions between the interests of donors and CSO clients. If PRIA reported on CSO weaknesses to donors, CSO funding might be at risk. If CSO clients believed that their funding was at risk, they would not speak frankly

to PRIA consultants. PRIA believed that capacity building work based on "public relations" descriptions of CSO problems would not have many valuable long-term impacts.

To manage this dilemma, PRIA decided that they would not accept assignments unless donors agreed that the diagnostic reports would go to CSO clients rather than to their donors. Some donors rejected this policy; others agreed that their control over the reports might undermine the capacity-building agenda. PRIA's strategic choice to prioritize accountability to clients over donors resulted in no support from some donors—but it enhanced PRIA's legitimacy with CSO clients and with other donors.

CSOs Role in Democratic Change

Political participation in India has been transformed in many ways since the 1960s. New social groups have entered the political arena and begun to use their political resources to shape the political process. Scheduled Castes and Scheduled Tribes, previously excluded from politics because of their position at the bottom of India's social hierarchy, have begun to take full advantage of the opportunities presented by India's democracy. Women and environmentalists constitute new political categories that transcend traditional distinctions. The spread of social movements and voluntary organizations has shown that despite the difficulties of India's political parties and state institutions, India's democratic tendency continues to thrive.

An important aspect of the rise of civil society is the proliferation of voluntary or nongovernmental organizations. To some extent, the rise of voluntary organizations has been sponsored by the Indian state. For instance, the central government's Seventh Five-Year Plan of fiscal years 1985-89 recognized the contributions of voluntary organizations in accelerating development and substantially increased their funding. A 1987 survey of 1,273 voluntary agencies reported that 47 percent received some form of funding from the central government. Voluntary organizations also have thrived on foreign donations, which in 1991-92 contributed more than US$400 million to some 15,000 organizations. Some nongovernmental organizations cooperate with the central government in a manner that augments its capacity to implement public policy, such as poverty alleviation, for example, in a decentralized manner. Other nongovernmental organizations also serve as watchdogs, attempting to pressure government agencies to uphold the spirit of the state's laws and implement policies in accord with their stated objectives. Nongovernmental organizations also endeavor to raise the political consciousness of various social groups, encouraging them to demand their rights and challenge social inequities. Finally, some social groups serve as innovators, experimenting with new approaches to solving social problems.

Beginning in the 1970s, activists began to form broad-based social movements, which proved powerful advocates for interests that they perceived as neglected by the state and political parties. Perhaps the most powerful has been the farmers' movement, which has

organized hundreds of thousands of demonstrators in New Delhi and has pressured the government for higher prices on agricultural commodities and more investment in rural areas. Members of Scheduled Castes led by the Dalit Panthers have moved to rearticulate the identity of former Untouchables. Women from an array of diverse organizations now interact in conferences and exchange ideas in order to define and promote women's issues. Simultaneously, an environmental movement has developed that has attempted to compel the government to be more responsive to environmental concerns and has attempted to redefine the concept of "development" to include respect for indigenous cultures and environmental sustainability.

With its highly competitive elections, relatively independent judiciary, boisterous media, and thriving civil society, India continues to possess one of the most democratic political systems of all developing countries. Nevertheless, Indian democracy is under stress. Political power within the Indian state has become increasingly centralized at a time when India's civil society has become mobilized along lines that reflect the country's remarkable social diversity. The country's political parties, which might aggregate the country's diverse social interests in a way that would ensure the responsiveness of state authority, are in crisis. The Congress has been in a state of decline, as reflected in the erosion of its traditional coalition of support and the implication of Congress governments in a series of scandals. The party has failed to generate an enlightened leadership that might rejuvenate it and replace the increasingly discredited Nehruvian socialism with a novel programmatic appeal. The Congress's split in May 1995 added new impediments to efforts to reinvigorate the party.

The unresponsiveness of India's political parties and government has encouraged the Indian public to mobilize through nongovernmental organizations and social movements. The consequent development of India's civil society has made Indians less confident of the transformative power of the state and more confident of the power of the individual and local community. This development is shifting a larger share of the initiative for resolving India's social problems from the state to society. Fashioning party and state institutions that will accommodate the diverse interests that are now mobilized in Indian society is the major challenge confronting the Indian polity.

India is a representative rather than a participatory democracy. Once the elections are over, the politicians who run the federal and state governments do not really need to go back to the electorate for every major decision - there is no tradition of referendums in India, as there is in Switzerland or Denmark. So, in the five years between on election and another, the NGOs - and parts of the media, to some extent - are often the only means available to the citizens to voice their opinions on any decision taken by a government.

In a large developing country like India, there are numerous gaps left by the government in the development process - sometimes by intention, sometimes due to lack of funds, sometimes due to lack of awareness. These are the gaps that many NGOs try to fill in modern India. Some of them may work in areas that the government does not want to get into - like fighting discrimination on the basis of caste. Most Indian politicians do not really want to upset the existing caste hierarchy in his or her constituency, because the

politician is dependent for votes on the dominant castes of that particular constituency. In the process, laws prohibiting discrimination on the basis of caste are often ignored unless there is an NGO working in the area that is willing to take up the cause of those being discriminated against.

In the last decade or so, civil society space in India has witnessed the proliferation of organizations engaged in budget analysis. Budget analysis can be defined as the process through which state budgets are scrutinized from the perspective of the poor and marginalized. Its focus is on critically evaluating budgetary allocations made by governments at the beginning of the fiscal year and tracking expenditure undertaken on the basis of these allocations to determine the extent to which policy translates into outcomes. The relevance of budget analysis lies in the fact that it has provided civil society with a tool through which it can effectively bring the perspectives and concerns of the poor and marginalized in to the process of policy formulation. More importantly, through budget analysis civil society organizations have successfully demonstrated the importance of strategic engagement with the state for promoting a people centric democratic discourse.

Despite its importance, budget analysis has not received adequate attention both from academics in particular and civil society more generally. Budget analysis appears to be an innovative tool through which civil society can enlarge the space for democratic engagement with the state. Civil society's role in Indian polity needs to be understood within the context of its relationship with the state. Following independence, the post-colonial state was entrusted with the primary responsibility of institutionalizing democracy and catalyzing the socioeconomic transformation of the country. Through the first two decades of independence, this role remained unchallenged and civil society, with a few exceptions, worked in tandem with the state to strengthen its legitimacy and role in institutionalizing democracy in India. By the 1970's, however, it became increasingly clear that the state had failed in its promise. Crucially, the state had not been effective in bringing in its fold the marginalized and had failed both to adequately meet citizens' demands and expectations.

Democracy in India was thus characterized by enormous deficits. This sense of disillusionment with the Indian state was further exacerbated with the imposition of the emergency in 1975 that temporarily suspended democracy and fundamental rights in India. It was in response to these broader political developments that civil society emerged as a powerful force in Indian polity. The twin factors of an increasingly centralized state on the one hand and the failure of the state to substantively democratize Indian society on the other helped galvanize civil society to work towards countering the hegemonic tendencies of the state and secure the socio-economic rights of the marginalized. [27]

---

[27] For a comprehensive historical and contextual overview of civil society in contemporary India see Jayal, G. Nirja 'India' in Yamamoto Tadashi eds *'Governance and Civil Society in a Global Age'* 2001, (Japan, Tokyo)

Arguably then, one of the most crucial roles played by civil society in contemporary India has been to act as a watch dog to the state; and in doing so push the state in directions that are accountable and responsive to citizens thereby protecting and deepening their democratic rights. The movement for social transformation initiated by civil society has largely been conducted within a framework of 'participative and mobilization politics'.[28] In its struggles for justice, civil society has drawn heavily on the idiom of mass mobilization and political agitation popularized in India through the freedom movement. The Gandhian means of civil disobedience characterized by mass mobilization, rallies, petitions and direct confrontation have dominated the practices through which civil society engaged with the state and struggled for justice. Prominent examples include the Narmada Bachao Andolan, the Chipko movement and more recently the movement for right to information. All these movements draw upon the practice of broad-based protest action characterized by rallies, public hearings and protest marches as the chief instrument for mobilization and resistance.

Although civil society has come to occupy a powerful force in Indian polity its impact has been somewhat limited. This is partly because civil society organizations have deliberately maintained a critical distance from mainstream political institutions. As a result civil society has not been able to effectively leverage its mass base to influence public policy. [29] Consequent to their marked preference for pursuing a political strategy that remains confined to the civil society domain, civil society organizations have often been unable to transcend the boundaries of mass mobilization and direct confrontation to effectively engage with the state.

In recent years, the civil society space has witnessed the growth of organizations that have attempted to devise innovative strategies that straddle the practice of mass mobilization with effective engagement with the state. These include efforts that emphasize research; participatory planning and public interest litigation amongst others. Budget work, as mentioned previously, is one such innovative strategy. Budget analysis recognizes the importance of strategic engagement with the state and uses it as the means through which to promote just, accountable and people centric governance. Conceptually speaking, budget work effectively uses the tools and instruments of 'institutional democracy' for furthering 'substantive democracy'. The primary responsibility of the welfare state in a developing economy is to ensure the well being of citizens through the delivery of essential services and the provision of nonmarket goods. It is in this context that the budget gains significance. Budgets are significant both because budgetary decisions articulate the macro-economic policy of a nation and also for the fact that they impact issues related to the provision of basic social services, poverty alleviation, and employment, all of which directly affect the well being of poor and vulnerable citizens. Budgets thus reflect the vision of economic and social development of governments and perhaps more importantly, the choices that governments make to realize their socio-economic agenda.

---

[28] D.L.Sheth 'Grass Roots Initiatives in India', Economic and Political Weekly Vol 19, No. 6, 1984

[29] Robinson, Mark 'Civil Society and Ideological Contestation in India' in Carolyn Elliot eds ' Civil Society and Democracy: A reader' 2003, (India , New Delhi) Pp 372-73

Reform of the Political Election Process

Any agenda for reforming the state must pay attention to the manner in which democracy works in the country. Many feel that at the root of the problem is the inadequacy of the electoral process. Government has commissioned reports and studies on this subject, but has not been able to initiate any serious reform in this regard. It is this gap that has motivated groups of citizens in different states to address issues of electoral transparency and reform. The largest of these movements is Lok Satta in Andhra Pradesh, which has a large membership and active units at the district level in the state. In the last state elections, Lok Satta organized information campaigns on candidates contesting the elections and set up a people's commission to investigate complaints against candidates by citizens. These efforts have been well documented and widely disseminated. It is an attempt to strengthen political accountability by seeking greater transparency in the selection of candidates for election by the political parties. Through this initiative, citizen groups are asking political parties to be more accountable to the people.

On a smaller scale, similar information dissemination on candidates have been attempted by the Public Affairs Centre (PAC) in Bangalore in collaboration with several local citizens groups, in Chennai by Catalysts Trust and in Mumbai by Bombay First. There has been active networking and sharing of information among all the groups. The novelty of the approach lies in the focus on the empowerment of the people through information dissemination. It has for the first time also made voters aware of the need to be better informed about the persons they are electing instead of being influenced by slogans and persuasion alone. The Election Commission itself does not have any such background information on the candidates. However, as a result of recent public interest litigation asking that information dissemination on candidates be made mandatory, the Supreme Court of India has directed the Election Commission to draft the rules to make this a standard practice. The Government has now passed an ordinance to comply with the court directive. Again, here we have an example of a civil society initiative that has resulted in the Executive and the Judiciary taking positive steps to strengthen accountability at the political level.

Stage of Political Development as an Important Determinant

India is a large democratic country of a billion people. It has a federal government at the centre, 27 state governments, and over 200,000 (urban and rural) local governments. Most of the traditional mechanisms of accountability, both vertical and horizontal, are present in India. As a parliamentary democracy, it has elected legislatures that have oversight functions over the Executive and an independent judiciary that can hold both the legislative and executive arms of the state accountable. It has a variety of independent authorities and commissions that perform accountability functions vis-à-vis different parts of the government. The electoral process, the ultimate accountability mechanism in a democratic country, has performed well for over 50 years.

References

Anand. Priya. 2004. Definition and Classification of the Indian Voluntary Sector. Paper presented at National Seminar on *Synergising the State, Market and Third Sector for Development*. Bangalore.

Chandhoke. Neera. 2003. *Conceities of Civil Society*. Oxford University Press. New Delhi.

Chandhoke. Neera. 1995. *The State and the Civil Society: Explorations in Political Theory*. Sage Publications. New Delhi.

Jain. L.C. 1986. Debates in the Voluntary Sector: Some Reflections, *Social Action*. Vol: 36: 404-416.

Jenkins, Rob, and Anne Marie Goetz. 1999b. "Accounts and Accountability: Theoretical Implications of the Right to Information Movement in India", Third World Quarterly, vol. 20, no. 3, pp. 589-608.

Klitgaard, Robert. 1991. "Political Corruption: Strategies for Reform", Journal of Democracy, vol. 2, no. 4 (Fall), pp 86-100

Kothari, Rajni. 1990. "The Rise of People's Movements", Social Action, vol. 40, no. 3, pp. 232-40.

Mahajan. Vijay. 2000. *Voluntary Action in India: A retrospective Overview and Speculations for the 21st Century*. VANI. New Delhi.

Oomen, T.K., 1996. 'State, Civil Society and Market in India: The Context of Mobilisation', *Mobilisation: An International Journal*, Vol.1.No.2.

PRIA. 2000. *Defining the Sector in India: Voluntary, Civil or Non-profit*. PRIA. New Delhi.

PRIA. 2001. *Historical Background of the Non-profit Sector in India*. PRIA. New Delhi.

PRIA. 2002. *Invisible, Yet Widespread: The Non-profit Sector in India*. PRIA. New Delhi.

Sen, Siddartha, 1997. 'India', in L.M. Salamon & H.K. Anheier (eds.) *Defining the Non-profit Sector: A Cross-National Analysis*, Manchester University Press, Manchester.

Salamon, 1998. 'The Non Profit Sector in India', in, H.K. Anheier & L.M. *The Nonprofit Sector in the Developing World*, Manchester University Press, Mancester.

Sreedhara. T.N., and Rajaram Tolpady. 2003. Towards An Understanding of Third Sector in India. Third Sector Research Resource Centre, University of Mysore, Mysore.

Samuel, John, 2000, *Social Action: An Indian Panaroma,* Vani, New Delhi

Transparency International. 1998. "Civil Society", Chapter 6 of the National Integrity Systems Source Book, Part B: Applying the Framework (www.transparency.de/documents/source-book/b/Chapter_6/index.html).

Norton, Michael, *2001, The Non Profit Sector in India,* CAF International.

Civil Society Engagement in Thailand

Typology

Civil society organizations in Thailand have emerged as an indispensable component of Thai society. Most voluntary organizations have a strong development agenda. Only four types of civil society organizations legally can exist in Thailand.

These are: associations, labor unions and federations, foundations, and political parties.

Size

Civil society organizations in Thailand vary from one another in terms of size, mission, objectives, assets, etc., and address differing problems and complex issues at various levels. These organizations have been providing public services, supplementing government agencies in providing social support for the poor and other disadvantaged groups, monitoring public organizations and their activities, advocating for justice, human rights, environmental protection and anti-corruption measures.

Traditionally, voluntary organizations in Thailand are formed in honor of some outstanding individuals, with an aim of providing relief to the poor in times of disaster or hardship. There are both volunteers and workers in these organizations.

> ➢ Development-oriented organizations rely on full-time workers whereas other organizations and associations largely depend on volunteers.

A large number of philanthropic organizations were established under royal patronage to receive funds from people's donation through the royal family.

> ➢ There are more than 18,000 civil society organizations in different categories of International Classification of Nonprofit Organizations (ICNPO).

History

The first non-government development organization formally registered with the government, Thai Rural Reconstruction Foundation (TRRF), was founded in 1967 by the then Director of the Bank of Thailand and President of Thammasat University. The King subsequently accepted TRRF under his royal patronage and the influence of the non-government sector in rural development expanded.

Following the 1973 student coup d'etat, the Thai people generally became more politically active and many NGOs were formed by committed people from the full spectrum of professions. However, the end of 1970 and early 1980s marked a "low"

period for NGO development and development activities as many young people joined the Communist Party of Thailand as an alternative avenue for their energy.

After the Phibun regime, when the Communist Party of Thailand was abolished in 1980, Thai-Chinese relations gradually improved. Since then clan associations and speech group associations have proliferated and become active in a wide range of activities.

In the late 1980s, many NGOs emerged and became more active for two major reasons: an increase in societal problems associated with development, and the government's inefficiency in tackling the related problems. In the Sixth National Development Plan (1986-1990) the Thai government formally recognized the importance of NGOs in development and promoted local organizations in rural development.

Pattern of Organization

Organizational membership in Thai society is generally low. Only 39.1 percent of Thai respondents claim membership in any formal organization (Table 1). When informal associations in groups are the subject of discussion, only 13.5 percent claim to socialize with others in group activity (Table 1). The overwhelming proportion of formal memberships are accounted for by residential associations (21.7%) and agricultural associations (17.0%) (Table 2). Trade association, labor union, volunteer group, and citizen movement activity is negligible. Political memberships appear among the lowest of the possible associations (Table 2). *The profile of Thai citizens represented by this data suggests that civil society in Thailand is relatively weak, with the appropriate conclusions for the capacity of civil society.*

These data require a frame of reference in order to put them in perspective. Are these levels of citizen participation in civil society associations low? Putnam cites General Social Survey and other studies indicating that membership in organizations in the United States declined to a little less than 70 percent by the early 1990s (2000: 59). Japan indicated 67.1 percent participation in formal associations (EAB data) and Mongolia 63.2 percent (EAB data). In informal or private associations (Table 2), only the Philippines has a lower rate of social participation. By these comparisons, civil society in Thailand is relatively weak, indeed.

TABLE 1: Percent Claiming Formal and Informal Affiliations in Civil Society Associations

	Percent Yes	Percent No
Formal Associations	39.1	60.9
Informal Associations	13.5	86.5

N=1546

TABLE 2: Affiliations of Thai Respondents with Formal and Informal Groups Representing Civil Society. N=1546	
	Percent Reporting
Formal Associations:	**Affiliation**
Residential Associations	21.7
Agricultural Associations	17.0
Volunteer Groups	2.8
Religious Groups	2.7
PTAs	1.8

Table 2 Cont.

Political Parties	1.7
Alumni Associations	1.1
Sports or Leisure Club	1.0
Producer cooperatives	0.6
Citizen Movements (NGOs)	0.5
Trade Associations	0.5
Candidate Support Organizations	0.5
Labor Unions	0.3
Consumer Cooperatives	0.1
Informal Associations:	
Colleagues Who Interact Outside Work	3.5
Groups at Community Schools	2.3
Friends Who Exchange Information	2.3
Friends Who Do Business	2.1
Friends Who Share Hobbies	1.1
Informal Credit or Loan Associations	1.1

Local NGOs work in all areas of Thailand, although there tends to be a concentration in the rural areas due to the perception of increased rates of poverty there.

Development NGOs are by no means the only civil society organizations (CSOs) in Thailand. Other categories include older CSOS like the Thai Red Cross, the Foundation for the Blind and other health CSOs, and some newer ones – and charitable associations that focus primarily on social welfare activities.

Many CSOs have a very short life span, fading away as quickly as they surface. Intermediary organizations that work as civil society resource organizations to support the sector are few and far between. There are some NGO coordinating networks and consortia. Most intermediary organizations also implement activities and work in the field. The Centre for Philanthropy and Civil Society at the National Institute of Development Administration was probably the first formal institution with the specific purpose of strengthening the civil society sector.

Emergence of Community Based Organizations (CBOs)

CBOs are a relatively recent phenomenon in Thailand. Most have sprung up almost overnight in the past decade or so. In reality, some are largely the fruit of the development activities of NGOs and state agencies that have worked at grassroots level to organize local groups and to mobilize them to carry out certain activities.

Given that state predominance in development activities has thwarted local autonomy and participation over the past hundred years or so, the emergence of CBOs is a good sign. Irrespective of their maturity and preparedness to embark on sustainable activities, it is a positive development that people at community level are beginning to overcome barriers and to take initiatives to come together to improve their lives.

Some notable successes are savings groups in the south and east of Thailand. Village savings groups have mobilized villagers to save regularly. The groups use their savings as credit for members to borrow, and interest on loans is given back to members as interest on their savings or as welfare payments. Internal control and sanctions make loan default virtually non-existent. Low transaction costs enable the village credit system to thrive, unlike banks and financial institutions that face both high overhead costs and loan defaults. Inherent in the success of these savings groups is their small size, which makes them manageable at the local level by villagers who are not professionals. Other CBOs engaging in community business generally meet with mixed results.

Revenue Streams/The funding challenge

Funding is one important issue that most NGOs and CBOs face, particularly in the past few years. After the Student Revolution in 1973, and particularly after the student activists from the 1970s were reincorporated into Thai society, the NGO movement took off with strong support from foreign donors. The availability of foreign funds in the early years may have inadvertently prevented Thai NGOs from seeking funding locally. It was only when Thailand was declared by foreign donors to be 'well on its way', 'comfortable', 'high growth', etc, that Thai NGOs awoke to the harsh reality of withdrawal of donor support. Although there is no concrete data available for size and sources of revenue and expenditure of the third sector in Thailand, generally, there are various major sources of revenue among different categories. For example, for Buddhist temples and social welfare organizations, most revenue comes from donations on the basis of merit making and alms giving. Many nonprofit organizations have been receiving funds from foreign donors, as has been noted.

As a result of this drying up of externally derived funds, some NGOs embarked on mobilizing local resources, with mixed results; others attempted to develop sources of earned income, while others downsized or shut up shop altogether.

The public perception of NGOs is a problem in this reagrd. Many Thais have great misgivings about NGOs, seeing them as agents of foreigners aiming to undermine Thai

society and the Thai way of life. As long as NGOs are perceived as 'marginal', 'troublemakers' and 'foreign agents', it will be difficult for them to raise funds from the public. Thai people in fact give quite generously to philanthropic and social causes, but the lion's share goes to charitable organizations and elite-based CSOs and not to development NGOs.

How well have NGOs communicated their vision, activities and achievements to the public? Some have done quite well. Many have been too internally focused. Most have not yet addressed or created a local constituency. NGOs working with children appear to have less problems in raising funds simply because the plight of children is easily understood and empathized with.

The success of some CBOs notwithstanding, most are struggling for sustainability. Many were helped initially with 'seed money' from external sources, including government agencies. External interventions from NGOs, development workers and others help contribute to CBOs' success. There are currently a number of PhD dissertations being carried out on CBOs, and these should shed more light on this very under-studied topic.

Legal Framework

Establishment and oversight of NGOs in Thailand is governed by the Civil and Commercial Code of 1925, which was last amended in 1992. In addition, the National Cultural Act of 1942 established the National Cultural Commission, which is responsible for both establishment and oversight of foundations and associations. Under the Civil and Commercial Code, the National Police Office Bureau has responsibility for establishment and oversight of associations, and the Ministry of the Interior has responsibility for foundations. This dual system of responsibility is similar to the system in Taiwan and China. The major difference is that in Thailand one ministry - the Cultural Commission - oversees and approves the substantive activities of NGOs, and another agency - the Ministry of the Interior or the National Police Office Bureau - regulates all other aspects of their activity.

Regulation of both associations and foundations has been highly subject to government discretion. At present, though, Thai NGOs are working with the government to devise a new and more appropriate set of regulations for the sector and various drafts have been prepared.

Policy Environment

The 1932 coup d'etat overthrew the absolute monarchy, and the bureaucracy became the main political force in the country dominating the policy arena. Thus, until the 1980s the Thai political system had been dominated by civil military bureaucracy. Any concerns or agitation of people asking for a better share of resources and power were seen as signs of communist invasion and were oppressed by brutal force or harsh legal measures. No space for civil society development was available during this period.

In 1981, the Office of the National Economic and Social Development Board (NESDB) consulted with twelve civil society organizations. In 1984, the Thai government launched the Village Development Fund Project by the National Committee for Coordination on Rural Development realizing the need for NGO involvement in rural development. Many NGOs assembled in a conference to discuss rural development strategies including GO-NGO coordination that resulted in the formation of a GO-NGO joint committee- a task force of government and NGOs in rural development.

In 1985 NGO-Coordinating Committee on Rural Development (NGO-CORD) was established to promote formation of NGOs, collaboration among NGO activities, coordination of joint activities by two or more NGOs, create public awareness about NGO activities, and to articulate and propose people's visions and plans to the government.

The sixth five-year development plan (1987-1991), clearly stated that the third sector should actively participate in rural development as the government highly appreciates NGO participation in rural development.

In the seventh national development plan (1992-1996), the government included economic/business organizations and philanthropic/social development organizations and recognized their role in the development of human resources, quality of life improvement, and in the conservation of the environment and natural resources.

In the eighth national economic and social development plan (1997-2001), the Thai government has put more emphasis on the role of the civil society sector in social development. In line with the changing role of civil society organizations, the Thai government has shifted a policy of control to a policy of support.

Most importantly, the 1997 Constitution, Sections 45-47, clearly guarantees the citizen's rights to unite in and form association, farmer groups, NGOs, cooperatives, or unions. Thai people are allowed to do that to "conserve or restore their customs, local knowledge, arts or good culture of their community and of the nation and participate in the management, maintenance, preservation, and exploitation of natural resources and the environment". According to the Constitution, laws related to education, health, and welfare need approval by the committees having NGO membership. The new National Social Policy Committee set up in 1998 is empowered to oversee all issues of social policy has a sub-committee on NGOs.

Taxation

The Ministry of Finance grants tax exemption to third sector organizations. To qualify for tax exempt status an organization must be registered with the appropriate government organization for at least three years, have its books endorsed by a certified accountant, and submit an application. Further, in order to obtain exemption from taxes (eg. VAT, land tax, custom duties), the NGO must show that it spent no more than 25% of its

budget on overhead for the two years prior to the application for tax exemption. Only 300 NGOs have full tax benefits.

Donations given only to civil society organizations by corporations having tax-exempt status are tax deductible up to two percent of their profits before tax. In addition, individuals are allowed to deduct up to 10 percent of their taxable income for contributions made to tax-exempt foundations and associations. The deduction, however, requires approval from the Ministry of Finance.

Incorporation

The Civil and Commercial Code 1925 (amended in 1992) include sections on foundations and associations. It details laws concerning registration, operation, and termination of foundations and associations. The Code is still the guiding principle for the third sector organizations and their activities in Thailand.

The legal environment of the nonprofit organizations can, however, be understood through the chronological events and political evolution of Thailand. Until the King Rama V (1968-1910) era, no legal action was initiated. During the King Rama VI (1910-1925) era, as nationalism was on the top of the national agenda, the Civil and Commercial Code included sections (81-97 and 1274-1297) on foundations and associations.

In 1942, the National Cultural Commission of Ministry of Education promulgated the National Cultural Act. It made the National Cultural Commission, Ministry of Education responsible for examining the objectives and monitoring activities of foundations and associations.

As the Thai government adopted a capitalist development policy and anti-communist ideology, the Trade Association and Chamber of Commerce Act was issued in 1966. With this act, the government promoted and controlled commercial activities. Under the act, all associations including the organizations with no profit sharing objectives, were required to register with the government.

In 1975, Thai government, while moving towards democracy, issued the Labor Relations Act, (the first labor law in the country). The Law stated that labor unions and employer's associations have a different characteristic from other types of organizations. Labor unions and federations of labor unions and employer associations emerged under the Act.

The Labour Act also provides for the establishment of employers' associations or federations, labor federations, and labor unions. These must be registered with the Labour Department, and may not operate until a certificate of registration is issued. The certificate of registration is issued only if after an investigation the Registrar finds out that the regulations of the association or union are not contrary to public order.

The Registrar, however, can give an order to take the name of any association off the register if: any objective of the organization appears to be contrary to the law or public morals, or likely to endanger public peace or national security; and if the organization fails to act on the order of the Registrar to rectify the object (Section 102 of the Civil Code). The court may, on application from the Registrar, the Public Prosecutor or any interested person, order a foundation to be dissolved in the above mentioned cases (Section 131).

In 1980, after the Communist Party of Thailand (CPT) was dissolved, the Thai government showed a more liberal attitude towards the non-profit sector in general. However grass-roots organizations and advocacy groups could not register with the government, as they were required to have an endowment fund to be registered as a foundation and a large membership. About 18,000 organizations are legally registered as either foundations or associations. In Thailand, there are also many unregistered civil society organizations.

Three different government departments register third sector organizations based on the proposed organization's forms and declared activity areas. Associations and Foundations, Commercial Associations, and Cremation Associations must register with the National Cultural Commission (NCC), the Department of Internal Trade (DIT), and the Department of Public Welfare (DPW) respectively. While political parties must be registered with Department of Local Administration (see Table 3 below).

The registration process may take up to a year for completion, but normally it takes a few months to complete. The newly formed foundations are required to have at least 500,000 baht (US$12,500) in endowments (cash or kind). However, the foundations with public welfare objectives like the promotion of social welfare, education and sports development, religious activities, disaster relief, or supporting research (for example AIDS research) activities need to have only 200,000 baht in endowment. The would-be directors of the foundation "must have status or conduct suitable for implementing the objects of the foundation" (Section 115).

Table 3. Relevant Agencies and Laws

Type	Registering Agencies	Law
Foundation	Ministry of Interior The National Cultural Commission	Civil and Commercial Code 1925 National Cultural Act 1942
Association	The National Police Office Bureau The National Cultural Commission	Civil and Commercial Code 1925 National Cultural Act 1942
Trade Association	Ministry of Trade	Commercial and Association Act 1966
Cremation Association	Ministry of Labor and Social Welfare	Cremation Welfare Act 1974
Labor Union	Ministry of Labor and Social Welfare	Labor Relations Act 1975
Political Party	Ministry of Interior	Political Parties Act 1955

Source: Adapted from Pongsapich, A. (1995). 'Philanthropy in Thailand', in T. Yamamoto (ed) *Emerging Civil Society in the Asia Pacific Community* (Singapore: Japan Center for International Exchange) pp.647.

Capacity of Civil Society

There have been many scholars who have spoken to the capacity of Thai civil society (or at least the reluctance to group in associations as a limiting factor for capacity), both historically and in contemporary analysis. Piker suggests that Thai individualism accounts for the lack of significant development of cooperative associations in rural Thailand (1979). A sense of self-reliance, especially in rural Thai society results in an avoidance of anything but superficial interaction, making Thais wary of group memberships or other associations that contribute to vigorous participation in activities associated with civil society movements (Mulder, 1969). Klausner attributes the generally weak status of rural cooperatives to these traits (1983). Although notable protests occur, implying growing levels of social organization, Unger (1998) characterizes these occurrences as ad hoc. In general, Thais appear to participate only tentatively and are seldom associated with sustained, organized groups. *Most of what does exist are cooperative associations organized by government to which Thai rural people belong as a condition of access to government markets and subsidies.*

Similar patterns are present in Bangkok despite an urban romanticism on the part of Thai intellectuals (and non-Thai scholars) that characterizes civil society organization in the inner city as vibrant. Askew (2002), for example, describes residents of the famous Klong Toey area as responding only to issues of immediate and practical concern. Notable successes, such as the protests by squatters against relocation by the Port Authority, have been transient at best and have not provided a sustained civil society envisioned as a component of growing social capital in a consolidating democracy. In fact, what social organizations exist appears largely dependent on outside-funded NGOs for sustained action characterized by a handful of leaders without substantial commitments of participation from members of the targeted communities.

Human resources issues

Human resources is another significant capacity related issue that CSOs need to address. Although there is some stability and continuity at the leadership level, the sector faces a problem of sustaining capable younger staff members. Younger recruits often move on to other jobs, preferring more mainstream jobs with more clearly defined career paths, so the sector finds itself constantly needing to train new staff members. The still prevailing view that non-profits should be staffed with volunteers, with paid staff kept to a minimum, also contributes to the less than ideal state of pay and career advancement in the sector.

A widespread lack of management and financial skills means that CSOs are often not as effective as they could be, particularly the smaller ones. Some CSOs are beginning to address this problem. One partial solution to this skill gap could be to recruit volunteers from the business sector.

This is an area in which companies could make a real contribution to social development. Just as Thai corporations were beginning to address issues of corporate social responsibility, the economic crisis of 1997 hit. As expected, companies retreated to address core business and survival issues. Their readiness to engage in big social development projects reduced significantly. Although the corporate sector still contributes to social causes, it is unlikely that it will be a very strong and active partner in the foreseeable future.

Accountability of Civil Society Organizations *(Case Study)*

Unlike (well-functioning) governments, it is argued that NGOs lack clear and enforceable rules governing the ways in which officials relate to their beneficiaries. Unlike markets, they provide goods and services that are not subject to the 'logic' of price incentives and competition. Exacerbating these features, NGOs are often highly dependent on international donors whose program priorities can overlook or undermine the needs and aspirations of their intended beneficiaries (Brett, 1993; Edwards and Hulme, 1992; 1995;

1996). For all of these reasons, it is feared the gap between local priorities and NGO accountability can be wide.

This claim is substantiated by the study of a single NGO – funded by a number of different international agencies – working in one village community in southern Thailand. As such, any generalizations about the nature of donor funding, NGO behavior and for that matter southern Thailand, must be made with care. That having been said, it is an opportunity to understand the ways in which a seemingly poor and powerless group of villagers can influence donor priorities and NGO activities, and the nature of a specific type of downward CSO accountability.

The NGO in question was Wildlife Fund Thailand (WFT), a Thai NGO that originated as a domestic wing of the World Wide Fund for Nature (WWF) and subsequently established operations of its own. The intervention in question was a set of project activities designed to encourage fisheries conservation and sustainable development in Phangnga Bay. The case focuses on one of the villages in which it was working. Using case study material (collected during 1997 and 1998), scholars have argued that NGOs tend to:

- ✓ overstate the power that NGOs can exercise over their beneficiaries; and

- ✓ downplay the power and autonomy that poor people have at their disposal.

Specifically, it argues that the imposition of rules stipulating local participation empowered villagers to negotiate and transform the terms on which the NGO intervened in their community.

A principal aim of the case study was to consider the conditions under which beneficiaries of development aid can influence the ways in which NGOs intervene on their behalf. Using case study material, it is argued that donor regulations (stipulating consultation), access to information about this process, organizational capacity and the NGO's need to maintain the support of important individuals within the village help to explain the fact that the beneficiaries of this developmental intervention were able to influence the NGO's project agenda.

Would it be fair to say that the relationship thus described was accountable? If accountability is conceptualized as the means by which villagers shaped and influenced the NGO's work in the village, then the experience in Baan Ao Lom was accountable. By regulating access to the community and by participating in public and private discussions, villagers were able to shape the terms on which WFT conducted its work in the village. Such findings are significant, not least because they provide an important (yet limited) empirical proof that propositions recommending the institutionalization of participatory processes in donor funding can have an empowering effect. Reinforcing this, was the fact that WFT was required to consult with villagers and (significantly) that villagers were aware of this.

The implications of this study are that participatory methods encouraged by INGOs and certain donor agencies can increase accountability in certain instances. As these methods proliferate, accountability by CSOs can increase. However, obviously beyond anecdotal inference, it does not suggest anything about CSO accountability in Thailand writ large. Such data does not appear to be available as of yet.

Role of Civil Society in Promoting a Democratic Agenda

Government Civil Society Relations

Although much has been made of the recent partnership between government and non-profits CSOs, in reality it has borne no fruit as of yet. Government may outsource activities to some service delivery CSOs or give funding support to others on a limited basis, but nothing approaching initial governmental claims. However, the current government's campaign promises on pro-poor programs, and the speed with which it is trying to implement them after coming into office, do bode well for CSOs. To many CSOs, the prospect of becoming 'mainstream' and of having a real role in policy-making is a welcome one.

The current administrative reforms spell out clearly the intention to downsize state agencies and to outsource activities to CSOs if possible. The administrative decentralization process already underway also points to the need for local administrations to work with citizens' groups. The legal frameworks and political processes are creating a more open environment in which CSOs could assert themselves.

Whether or not CSOs will be able to seize these opportunities is still uncertain. Can they achieve the right balance in working with other sectors? Can they make the necessary compromises in partnering with others? Will government agencies and officials be able to adjust to a new role as partners with CSOs? Shifts in mindset, values and behavior are needed on both sides.

Prospects for development NGOs

Development NGOs will continue to be a strong force in the development landscape of Thai society. More will be expected of them as the state retrenches. Given their understanding of problems on the ground, strong service orientation and commitment to reduce poverty and injustice, they could take on the role of leaders and trainers for social development actors in other sectors. If they can communicate their experiences and values clearly and powerfully, they could have a very positive impact on Thai society.
If they are to fulfill this role, there are many challenges they must meet. One is achieving financial sustainability. Developing business activities to help support their development activities, seeking government funding, and support from foreign funders are all options. Local fundraising remains a source to be tapped. A healthy mix of funding from different

sources will ultimately serve development NGOs well into the future. Over-reliance on state financial support could be as problematic as over-reliance on foreign funding.

May 1992: Civil society New Social Movement and the negotiation for full representative democracy

The government's recognition of the role of civil society organizations in development activities was evident in the Sixth National Development Plan (1986-1990), in the section on promotion of local organizations in rural development. In the past, although the government recognized that the private sector should play an important role in promoting development activities, action plans to encourage its involvement were not developed until very recently. Even then, private sector involvement was more evident in business and investment spheres than in development.

The civil society movement became stronger during the 1990s when the needs for political and social reforms were recognized. During the past two decades, civil society organizations have played an active role in political movements. The military coup in February 1991 established itself as a ruling military junta, the National Peace Keeping Council and formed an interim government led by Anand Panyarachun. After the April 1992 election, General Suchinda Kraprayoon, a leader of the 1991 coup, was nominated to become the Prime Minister. A coalition group led by the Student Federation of Thailand and the Campaign for Popular Democracy opposed the non-elected prime minister from the military who staged the coup. Demand for full representative democracy was made. The protest led to the May 1992 bloodshed. The death of protesters due to shots fired by Thai soldiers turned out to be one of the most tragic incidents in modern Thai history. The threat to human lives and civil and political security was obvious.

In this climate, civil society organizations put themselves in strategic positions and were involved in monitoring political activities as well as economic activities in the country. Demands for a new constitution and people's participation in the drafting process were made during 1992-1997. It became clear that the 1997 Constitution was the most advanced in terms of political reforms in the whole region. Monitoring the impact the economic crisis in 1997 and dissemination of information on corruption cases became main issues during the last decades. The activities of civil society include anti-globalization, anti-international financial institution activities (the World Bank, IMF, and the Asian Development Bank), as well as poverty eradication programs. They participate in poll-watch activities during election times and advocate for socio-political reforms. Their roles in monitoring political activities, including election activities, government policies and implementation plans, corruption, etc. have been continuous.

The Campaign for Popular Democracy and its coalition network members were instrumental in demanding political reform. A research project on political reform for Thailand was carried out and a document titled "Conceptual Frame for Political Reform in Thailand" came out in 1995. Demand for a new constitution was driven home by

people's activism in various fora. Finally, the government agreed to set up the Constitution Drafting Assembly (CDA) consisting of non-parliamentarian members. The creation of the CDA was with the hope that major changes can be made to cut the lines of influence derived from money politics and set the foundation for clean and stable government.

Despite the fact that civil society organizations were involved in the constitution drafting process even when they were not members of the Constitution Drafting Assembly, it was still felt that the content of the Constitution was too complicated for most layman. CSOs were integral in disseminating the main points[30] of the constitution to the lay public and digesting the material.

Political Security and Political Crisis in the Year 2006

Prime Minister Thaksin was a telecommunication conglomerate giant who formed Thai Rak Thai Party and came to rule the country in 2001 after he forced smaller parties to merge with his party to gain a majority in the House of Representative. Thaksin adopted populist policy and gained popularity from people in the rural areas except for the South. In 2005, Thai Rak Thai won more than 70 percent of the votes. Thaksin's second term proved to be more and more unacceptable to civil society groups. They monitored government performance, accused politicians of corruption and demanded transparency due to perceived conflict of interest in large infra-structure projects. The work of many "autonomous" oversight institutions such as Anti-Corruption Commission, Anti-Money Laundering Commission, the Election Commission, and even the Constitution Court had been interfered with. The term "Thaksin regime" began to connote that a government composed of ministers from the business sector, a lack transparency, and corruption.

People's Alliance for Democracy (PAD), an alliance of 5 networks, i.e., media (Sondhi), academic, labor, NGO, and religious representatives, was formed and joined the mass rally on February 11, 2007. On February 26 and March 5, the mass rallies took place at Sanam Luang or Phra Meru Ground in front of the Emerald Buddha temple and the Grand Palace (Matichon Weekly, 22-28 Sept. 2006). During the months of March and April, mass rallies were organized frequently in Bangkok as well as other provinces. Thaksin tried to stop mass rallies and decided to dissolve the House of Representative, and announced an abrupt election on April 2, given only 35 days for election campaign. The opposition parties boycott the election and unofficially joined PAD in the rallies. To join the government in celebrate His Majesty the King 60th Coronation Anniversary, PAD agreed to terminate the rally in preparation for the celebration on June 9. Consequently, the anti-Thaksin sentiment, combined with the pro-monarchy sentiment created a powerful climate. Due to the fact that Thaksin refused to step down and was determined to hold an election in October, PAD decided to revive the rally. The date of the rally was

---

[30] The main points were: rights, freedom, and duty of the people; impeachment mechanism and transparency; political reform and election reform; decentralized independent administrative bodies; and organic law and judiciary system.

set on September 20 and the military coup was announced before midnight of September 19, 2006.

Stage of Democracy

Summary

Since 1932, democracy in Thailand graduated from "partial" to "half representative democracy" to "full representative democracy" after the negotiation resultant from the May 1992 incident. During the 1990s participatory or direct democracy was exhibited. Middle class civic groups were given credit for bringing about political reforms in the different stages of democracy in Thailand including the Constitution drafting process and subsequent actions.

The military coup on 19ᵗʰ September, 2006 was an un-democratic act to oust an un-democratically elected government with the promise of a new constitution and a new democratically elected government. The question is whether the means justifies the end or not. Thailand democracy is essential in the (re)making; it is an on-going process. The goal is to achieve sustainable democracy both in form and quality.

Overview

During 1973-1992, Thailand made three transitions to democracy. While the democratization process in 1973 and 1991-92 involved mass demonstrations that forced powerful generals out of political office, the military itself initiated the 1977 transition without any organized pressure from civil society. Moreover, the 1977 transition took much longer to unfold, and produced a regime that was considerably less democratic than the transitions of 1973 and 1991-92.

What accounts for the difference between the 1973 and 1991-92 transitions on the one hand, and the 1977 transition on the other? Scholars[31] have hypothesized that the strength of civil society affected the nature of the three transitions. Since the degree of democracy achieved by the 1977 transition was significantly less than that of the 1973 and 1991-92, it has further been argued that the strength of civil society before a transition can have material consequences for the degree to which the regime actually changes and the level of democracy realized afterwards.

It should be noted that civil society in Thailand did not develop in a linear fashion, but varies across time, space, and sector. In particular, the state had a crucial role in determining the strength and shape of civil society. Furthermore, as has been alluded to in other cases, the growing strength of civil society in Thailand does not have unequivocally democratic implications. While the rise of student organizations, non-governmental organizations, and labor unions proved critical to the democratic transitions of 1973 and

---

[31] Notably Albritton, Bureekul

1992, the increasing strength of business associations had little impact on the democratization process. Organized capital made virtually no contribution to any of the three democratic transitions that occurred from 1973-92.

References:

Pongsapich, A. & Kataleeradabhan, N. (1997). *Thailand Non-Profit Sector and Social Development* (Bangkok: Chulalongkorn University).

Pongsapich, A. (1996). 'Philanthropy in Thailand', in T. Yamamoto (ed) (1995) *Emerging Civil Society in the Asia Pacific Community* (Singapore: Japan Center for International Exchange) pp.637-661.

Pongsapich, A. (2000). *Economic Crisis and Civil Society* (Bangkok: Center for Philanthropy and Civil Society).

Vichit-Vadakan, J. (1999). 'Making Sense of the Diverse and Complex Landscape of Thai Civil Society', Paper presented at the Asia's Third Sector Conference, Hilton International Hotel, Bangkok Thailand, November 21.

Wedchayanon, N. (2000). *Civil Society Resource Organizations and Development in Asia* Mimeograph (Bangkok: Center for Philanthropy and Civil Society).

ICNL website. Segment on Thailand.

Union for Civil Society (1999). 'Understanding Government-NGO Relations in Thailand', in E. Nissan (ed) *Promoting Three Basic Freedoms: Towards Greater Freedom of Association, Assembly and Expression in Asia* (Bangkok: The Three Freedom Project).

Pongsapich, A. & Kataleeradabhan, N. (1997). *Thailand Non-Profit Sector and Social Development* (Bangkok: Chulalongkorn University).

Pongsapich, A. (1996). 'Philanthropy in Thailand', in T. Yamamoto (ed) (1995) *Emerging Civil Society in the Asia Pacific Community* (Singapore: Japan Center for International Exchange) pp.637-661.

Union for Civil Society (1999). 'Understanding Government-NGO Relations in Thailand', in E. Nissan (ed) *Promoting Three Basic Freedoms: Towards Greater Freedom of Association, Assembly and Expression in Asia* (Bangkok: The Three Freedom Project).

Bhasit, Narindra (2001) *Announcement on the Samaneri of Wat Nariwong, B.E. 2471.* Chalong Suntaravanich (ed.) Rare Book Series, No. 4. Bangkok: Japanese-Thai Friendship Association.

Chantabutr, Khanungnit (1985) *The First Young Buddhist Monk Movement in Thailand.* Bangkok: Thammasart University and the Social Science and Humanity Text Book Project.

Commission on Human Security (2003) *Human Security Now: Protecting and Empowering People.* New York.

Frank, Andre Gunder and Marta Fuentes (1989) "Ten theses on social movements," 179-191. *World Development 17/2* (February).

Giddens, Anthony (1994) Beyond Left and Right: the Future of Radical Politics. Stanford: Stanford University Press.

Habermas, Jurgen (1981)   "New Social Movements," 33-37 *Telos 49* (Fall).

Matichon Weekly (2006) "Closing down Thaksin Regime: Coup to stop conflict, violence, and polarization". 22-28 September, 2006, pp. 10-11.

Muntarbhorn, Vitit (1991) "Occidental Philosophy, Oriental Philosophy: Law and Organized Private Philanthropy in Thailand" in Barnett F. Baron (ed.) Philanthropy and the Dynamics of Change in East and Southeast Asia. New York: Columbia University.

National Reconciliation Commission (2006) *Overcoming Violence through the Power of Reconciliation.* Bangkok.

Pintoptaeng, Praphat (1998) Street Politics: 99 Days of Assembly of the Poor and History of the Protest Rallies in Thai Society. Bangkok: Krirk University (in Thai).

Pongsapich, Amara *et al.* (2003) *Public-Interest Organizations in Thailand.* Bangkok: Chulalongkorn University Social Research Institute.

Skroebanek, Siriporn (1983) "Feminist Movement in Thailand (1855-1932) (in Thai). *Satrithat 1(3)* (August – September) pp. 28-35.

Smutvanich, Chai-anan (1974) *Thianwan Literary Works.* Bangkok: Ramkhamhaeng Student Association.

United Nations Development Program (1994) *Human Development Report 1994.* Delhi: Oxford University Press.