Engaging Civil Society to Promote Democratic Local Governance: Emerging Trends and Policy Implications in Asia

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ABSTRACT

This paper discusses a wide range of issues in engaging civil society to deepen and sustain decentralization and local democracy. It examines the concepts of democratic local governance and decentralization and issues in implementation of policies and programmes at the national and local levels. It presents CSO's patterns of growth, legal frameworks, capacity, accountability and impact on democratic change in Indonesia, Malaysia, Bangladesh, Pakistan, China, the Republic of Korea and the Philippines. It identifies emerging trends in civil society engagement and policy implications in Asia.

ACRONYMS

CCAGG	Concerned Citizens of Abra for Good Governance
CFA	Co-Financing Agency
CIVICUS	Word Alliance for Citizen Participation
CPD	Bangladesh Centre for Policy Dialogue
CRC	Citizen Report Cards
CSO	Civil Society Organization
DPWG-LGD	The Donor Partner Working Group for Decentralization and Local Governance
FBCCI	Bangladesh Federation of Chambers of Commerce and Industry
FOMCA	Federation of Consumer Associations
GONGO	Government-Organized Non-Governmental Organization
ICAC	Independent Commission Against Corruption
IP	Integrity Pact
NCWO	National Council of Women's Organizations
NGO	Non-Governmental Organization
PCIJ	Philippine Centre for Investigative Journalism
PROOF	Public Record of Operations and Finance
UN	United Nations
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
TIB	Transparency International Bangladesh
WFT	Wildlife Fund Thailand
WWF	World Wide Fund for Nature

PREFACE

The mandate of the Swedish International Centre for Local Democracy (ICLD) is to contribute to poverty alleviation and to strengthen the individual´s freedom and rights by promoting local democracy. In order to fulfil this mandate, we offer capacity-building programmes through our *International Training Programmes*, decentralized cooperation through our *Municipal Exchange Programmes* and, most importantly, knowledge management through our *Centre of Knowledge*. The Centre will document key lessons learned from our ongoing activities, initiate and fund relevant research, engage in scholarly networks, organize conferences and workshops and set up a publication series.

The paper by G. Shabbir Cheema is the fifth paper to be published in a series of papers from the workshop *State of the Art of Local Governance - Challenges for the Next Decade* organized by ICLD in Visby, late April 2010. Several of the leading scholars in the field of local governance/local democracy participated in the workshop. In his paper *Engaging Civil Society to Promote Democratic Local Governance: Emerging Trends and Policy Implications in Asia* Cheema highlights an important dimension of the development of democratic governance - the role of civil society - when he argues that civil society plays an important role as a watchdog and advocate for democratic change. A vibrant and active civil society is as important for democratic development as elected governments. Cheema argues that deepening democratic local governance requires a two-pronged strategy: first, a conducive national context characterized by political pluralism, decentralization policy, and capacity and resources of local governments; and second, a proactive civil society that serves as the vanguard of decentralization, democratization and accountability at national and local levels. This balance is key but evidence also shows that it is a balance hard to achieve. With its different case studies, this paper therefore contributes to an important dialogue on how to bridge the gap between theory and practice.

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From 1980 to 1988, Dr. Cheema was a Development Administration Planner, the United Nations Center for Regional Development, Nagoya, Japan. He has taught at Universiti Sains Malaysia (1975-79), the University of Hawaii (1988-89) and New York University (2002-2007).

Dr. Cheema is a contributor and co-editor of the three volume Series on *Trends and Innovations in Governance* (United Nations University Press, 2010), a contributor to *Leadership for Development in a Globalizing Society* (Kumarian Press 2009) and author of *Building Democratic Institutions: Governance Reform in Developing Countries* (Kumarian Press, 2005) and *Urban Shelter and Services: Public Policies and Management Approaches* (Praeger 1987). He is also a contributor and co-editor of *Decentralizing Governance: Emerging Concepts and Practices* (Brookings Institution Press in cooperation with Harvard University, 2007), and *Reinventing Government for the Twenty First Century: State Capacity in a Globalizing Society* (Kumarian Press, 2003).

INTRODUCTION

Along with the state and the private sector, civil society is instrumental in promoting democratic local governance. As an agent of change, civil society can actively engage in policy analysis and advocacy, monitor state performance including the actions and behaviour of local public officials, and build social capital and enable citizens to identify and articulate their values and civic norms. Civil society can also mobilize particular constituencies such as vulnerable and marginalized groups and minorities to participate more fully in politics and public policy. Another important role of civil society is to undertake local development activities including the provision of shelter and basic social services to the poor in urban and rural areas.

Civil society plays an important role as a watchdog and advocate for democratic change. Major democratic transitions in Asia have emanated from pressures from civil society including in South Korea, the Philippines and Pakistan. Once democratic governance institutions including elected local governments are introduced, civil society organizations continue to play an important role in ensuring the accountability of political leaders and public officials, and advocating for the interests of the poor and marginalized groups. They monitor elections, undertake public interest litigation, and provide paralegal services to the poor. They check the abuse of government power by public officials at national and local levels through their access to media, and monitor the government mechanisms for service delivery and access. They also protect the human rights of minorities, women and marginalized groups. Where the government responds positively to the pressure from the civil society organizations, citizen trust in government is likely to be enhanced.

While decentralization of functions and resources to local levels is necessary, it is not sufficient to deepen local democracy. Experience suggests that in certain situations, decentralization allows the local elite to capture decision-making structures and reinforce their power and influence, as sometimes is the case at the national level. Civil society plays a vital role in deepening and sustaining democratic local governance The factors that influence the effectiveness of CSOs in promoting democratic local governance include their patterns of growth in the region, legal and regulatory frameworks, their horizontal and vertical accountability and legitimacy, and their capacity for advocating democratic change.

This paper argues that deepening democratic local governance requires a two-pronged strategy: (1) a conducive national context characterized by political pluralism, decentralization policy, and capacity and resources of local governments; and (2) a proactive civil society that serves as the vanguard of decentralization, democratization and accountability at national and local levels.

The first section discusses the paradigm shift from government to democratic governance. The second section examines the evolution of the concepts from deconcentration to devolution and political decentralization. This is followed by a discussion of the emerging roles of civil society organizations in promoting democratic local governance. The subsequent section undertakes a comparative assessment of the experiences of Asian countries including Indonesia, Malaysia, Bangladesh, Pakistan, China, the Republic of Korea and the Philippines in promoting democratic local governance with the engagement of civil society. Finally, the paper identifies emerging trends in the region and presents policy perspectives in order to bridge the gap between theory and practice.

Emerging Concepts and Practice of Democratic Governance

Over the past two decades, democratic governance has received increasing prominence as a key success factor in the achievement of a wide range of items on the UN development agenda. During this time, the United Nations has organized conferences and summits on key issues of global concern, including the environment, human rights, human settlements, social development, the status of women and children and financing for development. One of the most critical issues emerging from each of the above has been the central role of governance systems and

institutions in promoting economic development, increasing the access to basic services for the majority of the poor, eradicating poverty, enforcing human rights legislation, enhancing the participation of women in the development process and protecting the quality of the environment.

In recent years, support from the United Nations Development Programme, the World Bank and bilateral donors to strengthen governance in developing countries has materialized in three distinctive phases or generations. The *first generation of governance* projects addressed the need for the improvement of public sector capacity in policy making, implementation and evaluation at both the systemic and sectoral levels. Governance was considered to be an intervening factor in modernizing the state. The UNDP played a key role in supporting developing countries to strengthen their public administration capacities for the objective of achieving sustainable development. Coinciding with this period, the "New Public Management" philosophy emphasized the importance of public sector efficiency and a market orientation.

The *second generation of governance* projects coincided with rapid democratization around the world. During this period, a shift occurred from "government to governance." This shift entailed a recognition of the increasingly overlapping spheres of interest of government, civil society and the private sector; and hence the need to find new methods of encouraging democratic, participatory and transparent governance. The United Nations Development Programme perceived governance as those institutions and processes through which government, civil society organizations and the private sector interact with each other in shaping public affairs and through which citizens articulate their interests, mediate their differences, and exercise their political, economic and social rights.

The aims of democratic governance were to strengthen channels and mechanisms for public participation in decision making, abide by the rule of law, increase transparency in public procedures and hold officials accountable (Kaufmann, Kraay & Zoido-Lobaton, 1999). Two arguments were given in support of democratic governance. The first was that democratic governance provides an institutional framework for participation by all citizens in economic and political processes. The second was that democratic governance is an end in itself because it promotes core, universal human rights and values. Democratic governance implied that the State would ensure free and fair elections, appropriately decentralize power and resources to local communities, protect the independence of the judiciary and access to justice, maintain an effectively functioning civil service, ensure the separation of powers, safeguard access to information and the independence of the media, protect basic human rights, freedom of enterprise, and freedom of expression and pursue sound economic policies (Cheema, 2005).

Figure

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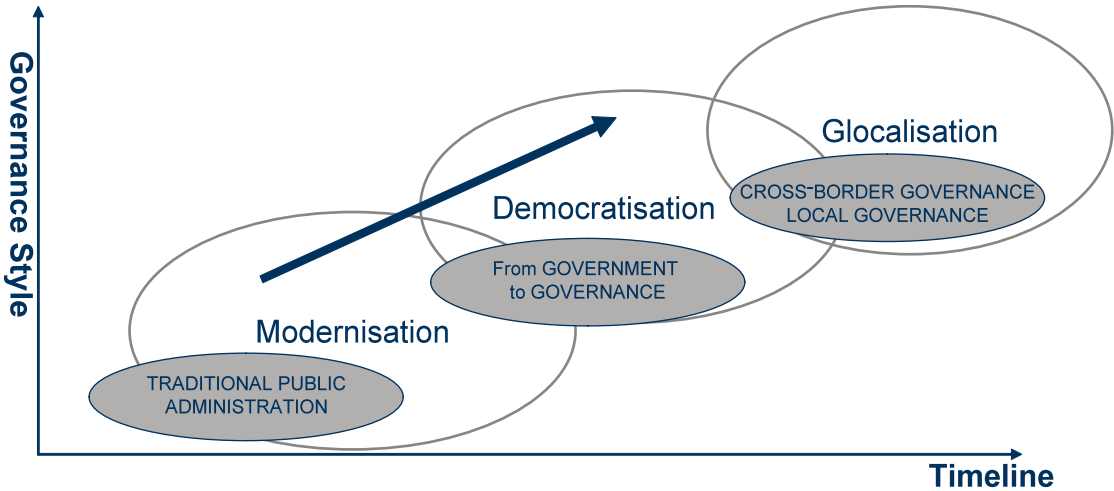
The *third generation of governance* projects represents a natural progression in understanding of ways to improve governance in line with changing global and local conditions, and it takes into account the lessons learned during the previous generations. Rapid globalization has led to increased flows between countries of goods, services, capital, ideas, information and people. Within this context, cross-border governance issues - such as trade integration, migration, climate change and cross-boundary water management - have become increasingly identified as requiring additional attention. These and related issues have increased the breadth of circumstances in which Member States of the United Nations must now coordinate their actions with others in order to successfully address and resolve issues which were previously defined as being primarily of a domestic nature. An equally important dimension of the third generation of governance projects concerns the emerging trend towards local development through democratic local governments. Pressures for local democracy, enhanced access to local services and failures of centralized top-down planning and management processes have led to an increasing recognition of democratic local government as an essential element of people-centred development. During the "glocalization" phase, governance projects aim to improve governance systems, mechanisms and processes not only at the national and global levels but also at the local level.

From Deconcentration to Democratic Local Governance

Many driving forces at the global, national and local levels have influenced recent trends toward greater political devolution and transfer of financial authority from the centre to regions and local areas - the demise of the former Soviet Union and the end of the Cold War, increases in ethnic conflicts and demand for greater recognition of cultural, religious and regional traditions, the focus of bilateral donors, multilateral agencies and non-governmental organizations, and the demands by groups and individuals within countries for greater control over local political processes, greater transparency, better access to services and more openness in political decision-making processes. In addition to global and nation-specific reasons, there are also region-specific factors that have led to the expanding role of local governments - the advent of multi-party political systems in Africa, the deepening of democracy in Latin America after the latest wave of democratization, the transition from a command to market economy in Eastern Europe and Central Asian Republics after the demise of the former Soviet Union, the need to decentralize service delivery in East and Southeast Asia, and ethnic and geographical necessity in South Asia.

With the evolution in thinking about development and governance and the rapid pace of democratization around the world, the concepts and practices of decentralization too have changed over the past few decades. Decentralization was defined as the transfer of authority, responsibility and resources - through deconcentration, delegation or devolution - from the centre to lower levels of administration (Rondinelli, 1981; Rondinelli, Nellis & Cheema, 1983). Until the late 1970s, government was seen as the institutional embodiment of State sovereignty and as the dominant source of political and legal decision making. In developing countries, debates over the structure, roles and functions of government focused on the effectiveness of central power and authority in promoting economic and social progress and on the potential advantages and disadvantages of decentralizing authority to sub-national units of administration, local governments or other agents of the State. Decentralization efforts focused on deconcentration of government functions from central to local levels and delegation of some of the functions to semi-autonomous development authorities and enterprises.

With the shift from government to inclusive governance involving three sets of actors - those from the State, civil society and the private sector - decentralization took on new meanings and new forms and objectives.[1] The second wave of decentralization, beginning in the mid-1980s, broadened the concept to include political power sharing, democratization and market liberalization; this increased the scope for private sector decision making. During

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1 For a more detailed discussion of the evolution of concepts of decentralization see Dennis A. Rondinelli, "Decentralization and Development," in A.M. Haque and M. Zafarulla (eds), International Development Governance, (New York: Marcel Dekker, 2005), in press.

the 1990s, decentralization was seen as a way of opening governance to wider public participation through the organizations of civil society. Globalization led to the recognition by governments of the limitations of central economic planning and management. Shifts in development thinking from the trickle-down theories of economic growth to growth with equity and participatory development also led to increasing calls for decentralization (Korten & Alfonso, 1981). International development partners promoted decentralization as an essential part of a "process approach" to development that depended primarily on self help by local communities and local governments (Rondinelli, 1993).

Democratization in Latin America during the 1980s, Eastern Europe during the early 1990s, and recently in Africa brought renewed interest in decentralization. With democratization of the political systems, governments were pressured to decentralize by political, ethnic, religious and cultural groups that were seeking greater autonomy in decision making and stronger control over national resources. In Africa, for example, the tribal minorities and economically peripheral ethnic groups sought decentralization of decision making (Mawhood, 1993). Pressures for decentralization increased partly due to the inability of central government bureaucracies to effectively deliver services (Smoke, 1994). The New Public Management movement of the 1990s contributed to the movement for decentralized governance by focusing on the need for customer-driven government and working with local groups and non-governmental organizations through participation and teamwork (Osborne & Gaebler, 1992).

The Diversity of Decentralization Practices

The rationale, objectives and forms of decentralization have changed significantly with the expansion of the scope of the concepts of development and governance. In this expanding concept of governance, decentralization practices can be categorized into at least four forms (Cheema & Rondinelli, 2007):

1. **Administrative decentralization** - including *deconcentration* of central government structures, *delegation* of central government authority and responsibility to semi-autonomous agents of the state and *decentralized cooperation* of government agencies performing similar functions.
2. **Political decentralization** - including changes in the structure of the government through *devolution* of powers and authority to local units of government, *power-sharing institutions* within the State through federalism, constitutional federations or autonomous regions; institutions, organizations and procedures for increasing *citizen participation* in the selection of political representatives and in public policy making, and procedures allowing *freedom of association* and *participation of civil society organizations* in public decision making.
3. **Fiscal decentralization** - including mechanisms for *fiscal cooperation* in sharing public revenues among all levels of government, *fiscal delegation* in public revenue raising and expenditure allocation, and *fiscal autonomy* for state, regional or local governments.
4. **Economic decentralization** - including *market liberalization*, *deregulation*, *privatization* of state enterprises, and *public-private partnerships*.

In view of the diversity of concepts and forms of decentralization, the advocates now see decentralization as an instrument for developing local government and civil society's capacity, giving greater political representation to diverse groups without destabilizing the State, promoting creativity and innovations among the three sets of governance actors and promoting pro-poor policies with the active engagement of local governments in poverty alleviation programmes.

Issues in Implementation

Over the past few decades, many countries have adopted decentralization policies and programmes. However, the results of these efforts have been mixed. Successful experiments in decentralization have yielded many of the benefits such as improved access to services, citizen participation, mobilization of local resources and the institutionalization of democratic political process at the local level. Decentralization's limitations have also been highlighted by the skeptics - including the "elite capture" of local governments, weak financial and administrative capacity of local governments, widening economic and social disparities among regions and increased levels of local corruption and nepotism.

There are wide gaps between the objectives and scope of decentralization and local governance policies in developing countries and their implementation. Four recent studies highlight key issues in decentralization practice around the world - the global report on Decentralization and Local Democracy in the World by the United Cities and Local Governments (UCLG, 2008); the United Nations Programme on Human Settlements Guidelines on Decentralization (UN-Habitat, 2007); A Guide to Local Governance and Decentralization: Programme Experiences and Strategies from a UNDP E-Discussion (UNDP, 2007) and UNCDF's Delivering the Goods: Building Local Government Capacity to Achieve Millennium Development Goals (Shotton & Winte, 2005). These and other documents identify a set of implementation issues which are critical to enhancing our understanding of decentralization and local governance practice. The issues include the following:

1. Scope of policy and strategy
2. Political and administrative organization of the state
3. Scope of local government responsibilities
4. Financing local governments
5. Mechanisms for local participation
6. Mechanisms for local government accountability

In most developing countries, *policy statements concerning decentralization encompass comprehensive objectives*. But in most cases the policies are in practice far from comprehensive in scope because they do not blend political devolution and power sharing with financial and administrative capacity strengthening in order to make local governments become catalysts in local development. Some countries, however, have taken major strides.

In India, local governments were strengthened with two amendments to India's constitution in 1992 leading to the election of about 238,000 local councils across the country. They are made up of three million elected representatives, one third of which are women. In Ghana, the restructuring of local governments has provided more authority and resources to local governments. Within the guidelines provided by the National Development Planning Commission, Districts have considerable autonomy to decide on their own development needs and priorities and have more control over resources. As they can raise some of their own resources they can negotiate directly with donors for district level projects. Five percent of the national budget is allocated to them - based partly on need - specifically for development purposes. Yemen's experience with decentralized governance dates back to its Local Development Associations of the late 1960s. These groups were able to mobilize most of their resources from local communities to build schools and local health clinics. Regional Development Initiatives were piloted in five Governorates to foster community self-reliance in addition to providing micro-credit and technical assistance. The number of civil society organizations in Yemen has been growing rapidly. In Bangladesh, military-dominated governments in the past have attempted to strengthen decentralization processes to enhance political legitimacy in the absence of national democratic frameworks. Decentralization policies in Bolivia (2006), South Africa (1994) and recently in Indonesia have been comprehensive in vision but not in implementation strategy or with a complete blueprint to guide the decentralization process.

Organization of the state and the styles of national political systems affects the implementation of decentralization policies and programmes. State organization has both territorial and functional dimensions. Organizational structures of local government in such federal states as India, Nigeria and Brazil are different from those in unitary states such as Bangladesh. In the former, states are empowered to decide on many issues of local government. Functional and representational issues may require different types of local government structures. Some countries in Asia and Africa have extended or created new local governments to ensure adequate representation of various regional and ethnic groups. At the same time, the emergence of metropolitan regions in many countries is necessitating the creation of systems and processes to plan, implement and monitor development projects covering many local government jurisdictions. The increasing number of small local governments with poor administrative and financial capacity and the emergence of densely populated urban local governments with relatively large resource bases are creating such policy dilemmas as how to balance the need for greater representation in order to promote representation and democracy with the folding of small local governments into higher governments to achieve economies of scale and more effective service delivery.

Another implementation issue concerns responsibilities assigned to local governments. Subsidiarity, autonomy and the need for effective delivery of goods and services are the main reasons for assigning responsibilities to local governments. In practice, implementation is affected by many factors (UCLG, 2008). Central governments have a tendency to shift more responsibilities to local government without corresponding financial resources and adequate technical support from the Centre. A more common set of responsibilities includes such local public services as water, solid waste, local markets, urban and land use planning, social policy, and primary health care and education. Often the process of shifting these responsibilities is not clearly delineated.

Local governments need resources in proportion to their responsibilities. Because of difficulties in collecting property taxes and in most cases the political unacceptability of capitation taxes, many municipalities rely on different forms of business taxation. Transfers are essential tools at the disposal of the central government to fund services provided by local governments on its behalf, to ensure that decentralization does not take place at the expense of equity due to differences in the resource bases of sub-national governments, and to influence sectoral patterns of local expenditures.

Financing local governments is another critical implementation issue in decentralization. The performance of local governments is strongly influenced by the supply of infrastructure and other public services as well as their quality. The adequacy of financing for current and capital expenditures is a key determinant of both supply and quality. There are four dimensions of this issue. The first is about the adequacy of local governments' resources in proportion to the scope of their responsibilities. This is important because it allows local governments to deliver services to citizens and thus gain their trust and confidence. The second is the percentage of local government expenditure which emanates from local government's own resources. Where local governments are too dependent upon central government's tied grants, their autonomy is negatively affected. The third is the efficiency of revenue collection and revenue sharing arrangements that promote partnerships between the central and local governments. The adequacy of financing for current and capital expenditures is a key determinant of both supply and quality. Finally, an efficient management of expenditures is equally important to maximize returns and achieve long term fiscal balance.

Mechanisms for local participation. The primary rationale of democratic local governance is that it brings government closer to the citizens. Mechanisms for participation and accountability at the local level are essential elements to ensure that local governance promotes participation and is also accountable to citizens.

Significant progress has been made in Africa, Asia, Latin America and Eastern Europe in holding regular local elections, in many cases through multi-party systems. However, many of the municipal executives - mayors and municipal presidents - have been elected through indirect means. Most countries in Africa (such as Ghana, Niger and Uganda) and Asia (India, Pakistan and the Philippines) have mechanisms below formal local government to

engage citizens in the local decision-making process through consultations. Gram Sabha in India and Barangay in the Philippines are examples of such locally-based informal administrative units.

As in the case of democratic governance at the national level, local participation is both a means to an end and an end in itself. As a means, effective mechanisms for local participation facilitate service delivery and access, mobilization of community resources and implementation of local development projects. As an end, local participation promotes local democracy and participatory decision making.

Accountability Mechanisms. Accountability of elected local government and effectiveness of anti-corruption strategies at the local level are essential to promote and sustain political and economic devolution. Effective financial, political and administrative accountability mechanisms at the local government level compel local officials to focus on results, seek clear objectives, develop effective strategies, and monitor and report on performance. In the absence of organized and disciplined political parties, local elected councils in developing countries tend to be weak and unable to perform their constitutionally guaranteed powers. This requires specific mechanisms to make local governments both democratic and effective.

The United Nations Programme on Human Settlements has emphasized the need to promote accountability and transparency in local governance and has identified four strategies to promote transparency and accountability in local governance - assessments and monitoring of transparency, access to information and public participation, the promotion of ethics, professionalism and integrity, and institutional reform (UN-Habitat, 2004). Over the past few decades, local governments throughout the world have tried different mechanisms, tools and instruments of local government accountability and transparency to promote and sustain devolution and strengthen trust between citizens and local governments. These include:

- Effective anti-corruption bodies
- Transparent and accountable system of public procurement
- Participatory budgeting and auditing
- Engagement of civil society in local decision making
- Promotion of ethics and integrity among local public officials
- Local leadership commitment to accountability and transparency

Local governments and civil society have been actively engaged in ensuring effectiveness of accountability mechanisms. Hong Kong established what is called the Independent Commission Against Corruption (ICAC) in 1974 to deal with corruption. It has followed a multi-dimensional approach that included prevention, education and enlistment of support. The Government of Andhra Pradesh in India established a new electronic system to offer the tenders online and handle the procedures electronically. The government of Seoul City adopted the Integrity Pact (IP), by which the city government and companies submitting bids agree neither to offer nor to accept bribers in the public contracts. The Public Record of Operations and Finance (PROOF) was launched in Bangalore, India in 2002 to monitor the financial performance of the City Corporation in Bangalore. In Abra, the Philippines, the "Concerned Citizens of Abra for Good Governance (CCAGG)", an NGO, investigates projects for sub-standard materials, poor construction techniques and fraud contracting procedures. This is an example of a participatory public audit with the engagement of citizens. In Bangalore, India, since 1994 the Public Affairs Center has utilized "Citizens Report Cards" (CRC)(World Bank, 2003) that rate and compare agencies on the basis of public satisfaction and responsiveness. The Philippine Centre for Investigative Journalism (PCIJ) is an independent, non-profit media agency specializing in investigative journalism. The PCIJ provides training for investigative reporting to full-time reporters, free-lance journalists and academics. The Philippines Report Card on Pro-Poor Services, a pilot project, was supported by the World Bank to get feedback from citizens concerning the performance of government services, including basic health, elementary education, housing, potable water and food distribution.

A review of experiences in developing countries shows that many of the failures of decentralization are due less to inherent weaknesses in the concept itself than to government's ineffectiveness in implementing it. Many factors influence the implementation process including resistance from those whose interests are served by the concentration of power and resources in the central government, and the need to create a conducive political and economic environment to design and implement decentralization programmes over a longer period of time. Successful decentralization "always requires the right ingredients, appropriate timing, and some degree of experimentation" (Cheema & Rondinelli, 2007). The ingredients are now well known - strong and committed political leadership, both at national- and local- government levels, willingness of government officials to share power and financial resources, participation of groups outside the direct control of central government, appropriately designed decentralization policies that include mechanisms for developing local government capacities.

There is a need to revisit decentralization to adjust to the paradigm shifts in our thinking about development, the rapid pace of globalization and new perceptions of governance. Decentralization remains a core prescription of development practitioners in developing countries and international development organizations for promoting democratic governance and economic adjustment and is seen by many of its advocates as a condition for achieving sustainable economic, political and social development and for attaining the Millennium Development Goals.

Roles of Civil Society

Civil society organizations play vital roles at local, national, regional and global levels in the promotion of decentralization and inclusive governance; i.e. governance characterized by the principles of participation, access, equity, subsidiarity and the rule of law. At the local level, civil society organizations are actively engaged in community development, skill improvements for sustainable livelihoods and access to basic social services. Through local elections and local elected councils, they can hold local leaders accountable and influence the articulation of local needs and priorities. In urban areas, civil society organizations have played a major role over the years in urban shelter, services, and protecting the interests of slum dwellers and squatters in government-initiated programmes. They organize poor urban communities to help them gain access to land titles and basic urban services, such as water, sanitation, primary healthcare and education. Active civil society engagement at the local level, however, requires open and transparent national political institutions. The rapid pace of globalization and the emergence of global institutions with mandates to promote and protect public goods such as human rights, democracy and access to basic services have influence on national democratic governance process.

At the national level, civil society organizations often perform a watchdog function to improve the quality of electoral and parliamentary process. This function includes electoral monitoring, voter education, the training of candidates (especially women) and ensuring that parliamentarians are responsive to the interests of minorities, the poor and marginalized groups. Furthermore, they also work for public interest law reform, enhance access of the poor to justice through paralegal services, undertake advocacy and seek the accountability of public officials by informing media about violations by public officials. Other widely recognized roles of CSOs in democratic governance relate to the promotion and protection of human rights, such as the establishment of non-governmental human rights institutions to investigate alleged violations, conduct public enquiries and promote human rights education. Most notably, Amnesty International and Human Rights Watch have identified and mobilized significant support to stop human rights violations.

Between the national and global levels, CSOs are increasingly leveraging the regional dimension to address issues that transcend national boundaries but do not garner sufficient global support. The rapid pace of globalization and the emergence of regional institutions with mandates to promote and protect public goods, such as human rights, democracy and access to basic services, have an influence on national democratic governance processes. This role also includes advocacy functions, whereby CSOs work to disseminate information and increase awareness

of shared issues and problems.

At the global level, civil society organizations also perform advocacy functions for global public goods, such as debt relief for highly indebted and Least Developed Countries, the implementation of UN conventions and treaties dealing with civil and political rights, and transparency in global governance. They attempt to influence transnational decision making by broadening access to global governance and enhancing its transparency and accountability. Examples of civil society organizations actively engaged in global governance are Transparency International, Human Rights Watch, Oxfam, Amnesty International and the World Alliance for Citizen Participation (CIVICUS).

Practice in Asia

Civil society organizations are playing a vital role in promoting decentralization and democratization at national and local levels in Asia. To understand the dynamics of civil society engagement and its strengths and weaknesses, however, there needs to be an analysis of their context specific history and pattern of growth, legal framework under which they are established, their capacity to deliver on their mission, and their upward and downward accountability. Also important are the entry points for the civil society organizations (CSOs)'s role in the promotion and of democracy at local and national levels.[2]

Patterns of Growth

The history of civil society engagement and the pattern of growth must both be considered in order to understand the democratic governance practice in a country. They reveal the evolution of 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. The history and pattern of growth also explain the unique typology of civil society in each country. For example, in India it is difficult to gather the entire gamut of civil society initiatives into common definitions and characterizations that could be applied in other countries; every term leaves out some elements. This definitional complexity also highlights what makes Indian civil society so vibrant, as is the case in Thailand; innumerable ad hoc initiatives disappear as quickly as they form.

The pattern of CSO growth in China reveals the massive influence that political orientation, socio-economic history, cultural influences and the forces of globalization may have and accordingly how CSOs are situated differently in different cultural contexts/landscapes. The new limited space for civil society in China emanated from two factors: first, the need for a new social safety net as the liquidation of many state-owned enterprises left millions of Chinese unemployed and without health care while the state's role in providing social welfare shrunk as part of the marketization of the economic system; and, second, a slight loosening of restrictions on political discussion.

Unlike China, Indonesia has undergone a complete transition from authoritarianism to democracy, with CSOs playing a prominent role. In turn, the democratic government and decentralization reforms have facilitated further growth of CSOs and embedded them in the political and social landscape. This transition and freeing of society was an uneven process. In the 1980s, CSOs went from complete emasculation to a gradual acknowledgement by

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2 The analysis of the dynamics of civil society engagement in Asia in this paper is based on a series of case studies commissioned by the East-West Center: Rehman Sobhan, Civil Society, Policy Dialogue and Democratic Change in Bangladesh; Denny Roy, Civil Society Engagement in China; Ahmed Bilal Mehboob, Civil Society Engagement in Democratic Transition in Pakistan; Datuk Dr Denison Jayasooria, Civil Society Engagement in Malaysia; Professor Sato, Civil Society Engagement in Japan. All appear in the forthcoming book Engaging Civil Society: Emerging Trends in Democratic Governance, Edited by G. Shabbir Cheema and Vesselin Popovski and published by the United Nations University Press.

the Suharto government that the state alone could not bear the full costs of development and therefore needed the participation of communities. The advocacy groups established in the 1980s were building blocks for the democracy movement. They formed an important element in the aggressive public pressure on the Suharto government that emerged in the mid 1990s. 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. With the basic freedoms of expression and association upheld, the civil society sector has grown rapidly and intensely.

Several challenges remain that must be confronted by Indonesian CSOs for them to be an effective part of civil society. On top of the list is a reformulation of CSO positions vis-à-vis the state (government) and various other sectors in society. With the emergence of democracy, power is no longer centralized but distributed among new power centres such as parliament, political parties and judicial institutions. The critical stance taken by some CSOs, 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, CSOs 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 CSOs, but is shared - and has to be shared - with other actors, foremost the media but also academia and other civil society organizations.

The evolution and growth of civil society in Malaysia could be divided into four distinctive periods that reflect social and political changes in the country. The first phase (pre 1957) was characterized by people's activism in Malaya through political parties which were based on ethnicity and religion. The colonial rulers introduced repressive laws such as the Societies Ordinance to check either the spread of illegal secret societies or the activities of the communists. During the second phase (1957-1980), the colonial legacy of preventive arrest and curtailment of fundamental rights was continued in order to suppress communist ideology and racial tension, even though the constitution provided for the protection of fundamental human rights. However, the labour movement continued to be active. During the third period (1981 to 2003) under Mahathir, the concepts of strong state and Malaysia-specific democracy provided the context within which fundamental liberties were curtailed. The "Asian values" argument was presented to justify strong government actions vis-à-vis individual liberties. The fourth phase started with the resignation of Mahathir in 2003. Though no major amendments to laws dealing with fundamental liberties were made, more space was provided to citizens through such mechanisms as internet websites, bloggers and related tools of information technology. These new tools empowered small organizations and activists to challenge the strong arm of the state and led to the emergence of new civil society networks that transcended ethnicity, religion and area of advocacy.

As in Indonesia, there are multiple forms of civil society in Bangladesh. These are largely shaped by community needs and government space for action. Business associations headed by the Bangladesh Federation of Chambers of Commerce and Industry (FBCCI) are essentially interest group associations that lobby the government about fiscal and financial policies and programmes. Professional associations, including those of doctors, engineers and lawyers, have been important voices in public life, though their leverage on public policies has been weak. Issue-based CSOs such as those dealing with environmental protection are usually sustained by contributions from members and by the voluntary services of activists. The largest and the best-funded groups in civil society are NGOs. There are more than 78,000 NGOs in Bangladesh that are registered with the NGO Bureau or other government agencies such as the Department of Social Services and the Department of Women's Affairs. Most NGOs were established to provide social services to the poor and to advocate for the concerns of deprived groups. With the disillusionment among many donors with the incapacity of the state to ensure effective delivery of services to the poor, the external funding for NGOs has increased from US$120 million in 1991 to US$534 in 2008. Because NGOs have to obtain formal clearance from the NGO Bureau to receive and spend external funding, they are likely to avoid those advocacy activities which are not favoured by the government.

There are some NGOs in Bangladesh that focus on advocacy, including *Nijera Kori* (let us do it ourselves), *Ain-O-Salish Kendro* (law and conciliation center), *Mohila Parishad* (Women's Assembly), *Manush-e-Jonno* (for the people), *Transparency International Bangladesh* (TIB) and the *Centre for Policy Dialogue* (CPD). The advocacy efforts of these NGOs cover such areas as gender, human rights, corruption, good governance, fair elections and policy reforms. Some of the large NGOs such as *Proshika* have "graduated" from their advocacy roles and have associated themselves with political parties and alliances.

Civil society organizations in Pakistan have gone through different phases since the independence of the country. Four military coups led to severe constraints on the functioning of CSOs. These were followed by a gradual opening up of space for CSOs under the civilian government. Over the past year, there has been a dramatic increase in the role of civil society in the democratic governance process. Civil society engagement led to the resignation of the military-led government of former President Musharraf and the holding of relatively free and fair elections. Recent reinstatement of the Chief Justice of Pakistan, who had been fired by the military-led government, through peaceful demonstration was a significant event in the promotion of democratic process in the country.

In comparison to other regions, the role and activities of civil society organizations in Asia were traditionally more circumscribed, as governments had taken an active role in the promotion of economic development, while limiting the ability of these organizations to form and participate in governance. These conditions changed during the course of the 1990s, which laid the foundation for the increased growth of CSOs within the region: (i) legal conditions for the existence of CSOs generally improved; (ii) fiscal cutbacks and conservative market philosophies led to declines in service provision and access; and (iii) many democratic transitions generated greater expectations on behalf of citizens, but reform measures were left uncompleted. Globalization, the communications revolution and economic liberalization measures compounded these issues by increasing the flow of information and resources both within countries in Asia and at the supra-national and sub-national levels.

These factors created a space for CSOs to increase their participation in local governance processes, while improving their ability to organize. While many reforms had been implemented to promote effective democratic governance in Asian countries, many countries reached a turning point at which additional results could not be achieved without the increased involvement of CSOs. Neither governments nor the private sector were able to address these gaps on their own, due to organizational and bureaucratic limitations, conflicts of interest, and other issues. On the other hand, civil society organizations had three characteristics in their favour: the flexibility to approach and mobilize diverse populations; the credibility and independence to challenge existing policy; and the ability to easily coordinate their efforts both vertically and horizontally with little bureaucratic change. Consequently, new activist CSOs appeared at the international, regional, national and local levels.

Legal Framework

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 to an extent dictate the rate of CSO formation and in what sectors, both directly through permissive or harsh standards for formal recognition of organization and through direct financial support, tax benefits or incentives. The Japanese case is revealing; one would expect Japan to have a flourishing civil society since Japan ranks highly for two of the most reliable predictors of the level of development of a nation's civil society: income and education. However, Japan has among the most severe regulations in the developed world and a correspondingly anemic civil society in terms of influence over democratic processes. Similarly, there are huge disparities in the counts of registered/unregistered civil society organizations in South Korea since the minor benefits that act as incentives to register are countered by the increase in regulatory surveillance.

In China, CSOs operate under two burdens: a severe regulatory environment and major disincentives for registration. These burdens compound existing challenges, such as the need for consistent sources of funding and, in the cases of autonomous private organizations that may have a political agenda, the constant threat of suppression and dissolution on the pretext that they may undermine the legitimacy of the party/state. The government exercises several kinds of restraint on CSOs and these make the legal and political environment in China unfavourable for the flourishing of independent CSOs. Registration with the government involves three requirements: acceptance of the application by the authorities, finding a sponsor and payment of the prescribed fee. The Ministry of Civil Affairs that processes applications for registration of a CSO may hold up processing or deny the application for many reasons, many of which are non-transparent. An important legal hurdle is that no new CSO is allowed to be established in a part of the country that already has a CSO with a similar mission (foundations are not bound by this restriction). In some cases, this means an extant organization that is ostensibly "voluntary" but is effectively government-controlled will preclude the registration of an independent counterpart CSO.

In fact, most of the legally registered organizations are GONGOs (government-organized NGOs) and these are deeply penetrated by the government in that they receive substantial funding from the government and are led by current or former government or party officials. Only a tiny percentage of China's truly autonomous, grassroots CSOs are registered as social organizations. The more common way of avoiding the obstacles involved in registration is simply to operate unregistered. Of the estimated three million CSOs in China, only about 300,000 are registered. The authorities generally tolerate them but the rule of thumb is that unregistered CSOs will become a target if they are found to be involved in a financial scandal or if they seem to present a challenge to the regime.

This pattern of government surveillance and interference with unregistered CSOs/NGOs, primarily when the CSOs/NGOs are active in arenas that conflict with government interests, is typical of much of the Asia-Pacific region. The notable exception would be South Korea, where unregistered NGOs are the norm despite being active in advocacy and development.

Malaysia is a prime example of a country with a detailed legal mechanism for the organization of civil society that provides many avenues for state surveillance and control. The legal requirements for civil society organizations in Malaysia can be met through one of four mechanisms. Most civil society organizations are registered under the Societies Act 1966. This Act provides a wide range of powers to the Registrar, including the power to refuse and cancel registration without a provision for judicial review. The second form of registration is as a company that is limited by guarantee under the Companies Act 1965 (Revised 1973). Most foundations are registered in this way. Because this form of registration is expensive, advocacy-based civil society organizations do not register in this way. The third form of registration (the Companies Act 1965; Revised 1973) is as a private company with paid up share capital. The fourth mechanism is through a Trust Deed and a number of charitable and development organizations are registered in this way. Legislations like the Societies Act provide the State with the legislative powers to curtail CSOs and to "monitor, regulate and compel societies to operate within a certain parameter" (Yaqin, 1996). The legislative framework in Malaysia is neither enabling nor conducive for advocacy-based civil society organizations. Given the sensitivity of issues raised by some of the advocacy-based civil society organizations, policy makers and government officials view these negatively and this reflects the nature of the political system. However, the welfare-based and charitable organizations rarely face problems with the Registrar of Societies. As the middle class grows, there is increasing demand for more freedom in Malaysia, as happened in the Republic of Korea.

Bangladesh has a multifaceted registration policy with the NGO Affairs Bureau and with the respective line Ministries for NGOs/CSOs receiving foreign donations/contributions. The Bureau now has primary responsibility for handling the Government's interests with regard to NGOs receiving foreign funding. The key aspects of the legal framework are *the Right to Information Act 2009*, the Foreign Donations 'Voluntary Activities' Regulation Ordinance, 1978 and the Foreign Contribution 'Regulation' Ordinance, 1982. The highest number of NGOs is registered under the Societies Registration Act, 1980. The relationship between the government of Bangladesh

and NGO/CSOs is now generally regarded as becoming increasingly constructive. However, this pattern has not yet filtered down to the local level, where coordination is also essential to optimize the use of scarce resources. The proposed 'National Social commission', which is designed to control NGOs/CSOs, will politicize the development process under a form of bureaucratic dictatorship.

Capacity of Civil Society

In order to effectively perform their tasks related to decentralization and democratization, CSOs require capacities for fundraising and financial management, information gathering and research techniques, and communication skills to attract broad publicity. Other capacities that may enhance their roles are networking to develop coordinated advocacy, good documentation and up-scaling practice, professionalism and trust building in educating citizens, and the will and ability to "speak truth to power". These capacities strengthen the sustainability of their work and, ultimately, organization. The Philippines is a textbook illustration of a country with a burgeoning and active civil society that is quick to champion specific issues, often for a narrow public, but lacks the capacity to ensure that these organizations are not ephemeral.

The capacity of civil society organizations is important as a distinct area of analysis; this has to do with the means to both drive and sustain reform/change. The organizational capacity of civil society organizations is inexorably linked with questions of financial support and in countries such as Bangladesh, Pakistan, Indonesia and Thailand, where CSOs are largely dependent on international funding, sustainability is highly dependent upon the priorities of the international sponsors. These factors are important for research since they highlight systemic weaknesses such as the lack of financial sustainability of many Filipino civil society organizations and they help us identify points to which funding could be channeled to enable future action.

Improving the capacity of CSOs in Indonesia is conceptualized as improving internal governance and the quality of Human Resources, improving the quality and effectiveness of programmes, adopting innovative approaches to resource mobilization and strengthening both domestic and international networks pursuant to the above. Improving the internal governance and quality of human resources is a matter of adopting many of the principles, including gender mainstreaming and transparency of financial information, that CSOs exhort the State to follow. This alignment of internal and espoused external values would also benefit human resources by helping to attract quality volunteers.

The Malaysian case shows that several strengths of civil society organizations. Firstly, they contain committed activists who want to bring change. Secondly, over the years, their ability to undertake research related to policy advocacy has increased and thirdly, with the recent electoral successes of the multi-ethnic political parties, some civil society leaders are now holding representative offices as well as leadership positions in civil society organizations and this will enhance their influence on public policy. Yet, Malaysia also shows that with the incorporation of civil society leaders into the government, civil society leadership becomes unable to give independent and non-partisan voice to issues of societal interest. Staff dropout from civil society is high because of low salaries. While civil society is relatively effective at the micro level in urban areas, its outreach in semi-rural, rural and interior of Malaysia is weak. What is needed is to build the capacity of grassroots organizations.

In Bangladesh, most NGO/CSOs have inadequate technical, professional and managerial skills and they depend on seasonal hired professional consultants. Corruption and unparalleled nepotism weakens the quality of management. Insufficient attention is paid to monitoring and evaluation of project activities. Small NGO/CSOs feel that they have less access to the support and services of the Co-Financing Agency (CFAs) than do large NGOs. Many NGOs have a loose structure, often with limited accountability to beneficiaries and they are unduly influenced by donors' interests.

On the other hand, larger CSOs in Bangladesh have significantly increased their sectoral capacity. The Centre for Policy Dialogue demonstrates how, by creating an interface between stakeholders and government, it can help segments of civil society become better informed and build networks with which to bring about policy change. This process of interfacing with community stakeholders is one means of ensuring government accountability to civil society and also of making civil society accountable to government.

A considerable challenge to civil society organizations in the years ahead relates to capacity deficits. These may further complicate the legitimacy issues posed by accountability insufficiencies. The rapid expansion of CSOs has not been accompanied by increasing capacities and resources. Consequently, they may be unable to: identify or institutionalize steps to improve the way they operate; form the necessary relationships with stakeholders, governance partners and fellow organizations; train and retain staff; and participate in the policy process as it relates to their mission. Even if civil society organizations do have the financial capacity to implement measures to ensure that they operate transparently and accountably, they may be incapable of following through and achieving the desired effects because of their organizational capacity. In many civil society organizations that operate at or below the national level, capacity deficits are often most visible in the areas of technical expertise, financial management, operational ability (using data generated by accountability systems to redefine roles, responsibilities and approaches), and human resources (staff identification, training and retention). However, contributors have shown that additional results could also be achieved through enhanced capacity development in the areas of research and policy advocacy management.

Accountability of Civil Society

Two important issues in civil society engagement within the region are: (i) upward accountability of CSOs to the government and (ii) downward accountability to the communities they serve. In contrast to many governments, CSOs frequently lack clear, enforceable rules that govern the ways in which their officials relate to 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. To make matters worse, CSOs are often highly dependent on international donors whose programme priorities may overlook or undermine the needs and aspirations of their intended beneficiaries. For all of these reasons, it is feared that the gap between local priorities and NGO accountability can be wide. Innovative self-evaluation, such as that 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 Malaysian case shows the weakness of civil society in ensuring its own accountability and transparency of funding sources, utilization and financial management practices. Here, most civil society organizations lack published and audited accounts which can be shared publically. Moreover, few CSOs have a common position on external audits or impact assessment of their activities. No accountability or audit panel is available to certify that CSOs observe universally accepted standards of governance practices or are accountable for their funding. Consequently, few organizations have undertaken an independent impact assessment of their projects to determine past effectiveness. The indicators are not well established in this context and common standards are seldom utilized. Therefore, civil society organizations must have a common position on external audits, as well as impact assessment of their projects, programmes and activities. The argument of civil society is that they are accountable to funders who are overseas, in the case of advocacy-based organizations. However, the public views this argument as a double standard. Civil society is not credible when it asks for government accountability but is unwilling to abide by its own codes of ethics and accountability mechanisms.

In coming years, a key obstacle to be overcome by civil society organizations in Asia concerns the issue of

their legitimacy. As these organizations come to play an increasingly significant role in policy identification, implementation and assessment, the question of their legitimate moral authority will come increasingly into play. CSOs often question the policies of elected officials, yet they themselves are not elected. Similarly, CSOs often advocate for anti-corruption measures, yet their internal accounts are frequently unavailable to the public. Citizens may question how representative their views are, especially in the case of global civil society organizations with insufficient linkages to the ground level. The methods that they employ in development efforts, the projects that have been chosen or discarded, their correlation to the understood mission of the organization, and the resources that have been invested are other frequent issues of interest. In extreme cases, civil society organizations may engage in fraudulent activity, which further demonstrates the importance of measures which enable stakeholders to hold them accountable.

A related accountability issue is that civil society organizations that operate in Asia often have diverse stakeholders, with differing concerns and degrees of power. Large donors, government agencies and international institutions often have more voice as stakeholders, since they hold the purse-strings and impact the legal climate. Therefore, their policy concerns and requests for responses by the organization tend to receive more attention, whereas the concerns of customers and staff may be de-prioritized. If civil society organizations continue to place more value on their accountability to the former group, this short term approach will effectively undermine their credibility over time.

Many civil society organizations within Asia now use various methods to improve their own governance. Increasingly, groups of civil society organizations have pooled their expertise and form partnerships with other governance actors to provide sectoral standards that can be used as a basis for assessing CSO behaviour and create codes of conduct and peer reviews (The Philippine Council for NGO Certification). Moreover, new CSOs have formed to provide consultancy services to other organizations that wish to assess their accountability and management practices (The Society for Participatory Research in Asia).

Civil Society and Policy Advocacy

With the widespread growth of civil society in Asia over the last decade, many governments in the region have officially made civil society a participant in local and national development. However, the level of this participation varies widely across and within countries. At one extreme, civil society may partner with government for planning, policy-making and decision making; receive access to government budgetary resources and external assistance; and is tapped to assist in public service delivery and project implementation. At the other, countries may publicly profess a policy of civil society participation, but do not translate this into action. In yet other cases, governments create and support the operations of CSOs and use these for specific purposes. To date, a few governments continue to consider civil society a threat and prohibit its organization. Furthermore, local governments may also vary widely in their posture and attitude towards civil society in terms of its participation in governance and local development processes, particularly where government is decentralized and local governments possess some measure of autonomy.

With a few exceptions, CSOs already play an important advocacy role in shaping policy. Throughout the Asia-Pacific region, the respective roles of the state, market system and civil society are being reexamined. At the forefront of this reexamination are development CSOs, who are challenging the traditional ways that the state and the market have allocated resources. Several political and economic developments have led to this re-evaluation, such as the increasing integration of centralized economies like China and Vietnam to open capitalist economies, the fiscal crisis and the effects of structural adjustment. Assertions regarding the relationship between democracy and economic development became fashionable. Civil society, then, became an exciting prospect for this agenda.

To a large extent, active CSO communities in various countries in the region were spawned by the emergence of heavy social and environmental costs of a primarily growth-focused development strategy and globalization. As governments became perceived as insensitive to these ill effects of dynamic economic growth, civil society was spurred into action. With or without help from outside organizations and entities, various groups formed to assume roles in public policy advocacy and community empowerment.

One such group that has assumed this mantle, as has been alluded to previously, is the Bangladesh Center for Policy Dialogue (CPD). CPD has regularly interacted with political society with the explicit goal of engaging both government and opposition parties to discuss national problems and policy options. As the State remained uncomfortable with criticisms by segments of civil society on the status of the democratic process, CPD has been particularly influential in working towards a reciprocal flow of ideas and influence between the State and civil society. Drawing upon its experience in organizing policy dialogues, CPD sought to contribute to enhancement of the quality of the policy discourse during the course of the 2001 elections to the National Parliament. CPD's objective was to prepare a series of pre-election Policy Briefs with a view to informing the political parties about problems of particular concern, encourage the political parties to move away from confrontational rhetoric, focus on creating policy alternatives designed to respond to public concerns and influence subsequent executive action to be undertaken by the future elected government.

Their success can be seen in their annual review of Bangladeshi development which has been established as a set of key benchmarks of civil society's effort at making successive governments accountable for their stewardship of the development process. Furthermore, CPD's experience in 2001 paved the way for successive dialogue processes and avenues of input for citizens to policymakers, and the policy dialogues themselves brought attention to the dysfunctional nature of Bangladesh's democratic process and its impact on the deteriorating quality of governance. It is a model, albeit difficult to replicate, of CSO-driven stakeholder-responsive policy making in the face of adversarial political factions and a challenging regulatory environment.

Civil Society and Democratic Change

In recent years, civil society organizations have expanded tremendously in terms of their role, number, size, activities, focus areas and influence. This phenomenon has been particularly evident in Asia, where they now play a pivotal role in strengthening effective democratic governance. A series of emerging trends for civil society engagement in democratic process are discernible. Civil society is now playing a vital role in stimulating democratic change in Asia in many ways: direct involvement at different stages of the electoral process including voter registration, voter education and electoral monitoring; engagement with parliamentarians and local government leaders to communicate concerns of citizens; the provision of paralegal aid and other support mechanisms for access to justice; access to media to highlight abuses of power, especially by the local elite; the protection of rights of minorities and marginalized groups; supporting the independence of the judiciary; and holding local officials accountable to improve access to services. Each of these aspects is crucial for promoting and sustaining democratic local governance, in which local public officials and civil society are engaged in dialogue to identify priorities and needs, participate in decision making and hold elected local political leaders and government officials accountable. However, in order to ensure that they remain effective advocates of the public goods, CSOs must strengthen their linkages with other organizations, address issues related to their legitimacy, strengthen accountability using various methods and without reducing their organizational flexibility, and improve capacities.

The fact that civil society organizations play a pivotal role in decentralization and democratic change is one of the premises upon which this paper 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 contemporary Indonesian democracy, including the recent Law on Decentralization, to the South Korean CSOs that often serve

as a democratic vanguard and a key intermediary between citizens and the state. The Centre for Policy Dialogue in Bangladesh 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. CSOs played an important role in the most recent elections in Malaysia, where the multi-ethnic political parties won majority in some of the state elections and came close to obtaining a majority of seats in the national parliaments. Civil society, especially the Lawers' Association, has been instrumental in the transformation of the political system in Pakistan from the military-dominated presidential system to the parliamentary system, with the Parliament serving as the sovereign body.

Another factor that is decisive for CSOs ability to provoke democratic change is the stage of political development in the country. 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 for framing contemporary patterns of engagement between the state and civil society. In the case of Pakistan, for example, a comprehensive local government reform with devolution of powers and resources to elected local leaders did not create democratic local governance mechanisms because of the domination of military-led government at the national level and severe political restrictions on national and local democratic institutions.

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 those 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. The number of CSOs that are engaged in the promotion of democratic change still remains relatively small.

In Indonesia, civil society was instrumental in regime change, democratization processes, and the emergence of a public dialogue on good governance, accountability and transparency of public institutions. CSOs were active in monitoring the activities of political institutions at national and local levels. Starting with the heavy involvement of CSOs in the 1999 election, nowadays almost all aspects of state institutions at all levels are being watched by CSOs. Through CSOs and as an actualization of civil society concepts, citizens in Indonesia have a myriad of ways of making their voices heard and filling spaces opened by democratization and decentralization. They are in the process of building a new relationship with the state. Since the fall of Suharto, citizens have been able to express their opinions publicly and speak out on the issues that concern them most. Although state-sponsored corruption and power abuses have not been eliminated, civil society continues to grow stronger. There remains today a flowering of new ideas and social actors, as people who had been denied participation for a long time have sought to become involved. There is a momentum for negotiating and reformulating the balance of power between the state and its citizens. CSOs have and continue to have an important role to play in this, both in Indonesia and throughout the region.

Civil society organizations in Malaysia have also positively contributed to democratic change. Initially, this role was limited to working closely with the state to advocate the rights of women and consumers. This occurred through discussions on policy formulation, drafting legislation and extending services to promote public awareness. At the national level, its umbrella organizations consisted of the National Council of Women's Organizations (NCWO) and the Federation of Consumer Associations (FOMCA). However, the role of civil society in democratic change increased over time. The Mahathir years (1981 to 2003) saw some increase in civil society activism. However, this was largely an urban middle class phenomenon with a strong leadership role played by the English-speaking intelligentsia. Most recently, political changes in Malay society have enabled a larger, more active role. Since the dismissal of Anwar Ibrahim as Deputy Prime Minister in 1989, the establishment of the Justice Reform Movement as a political party, and the unprecedented victory by the opposition coalition, CSOs now work to address issues

of injustice and the abuse of power by the executive branch. Concurrently, the mass political uprising of sections of the Malay Muslim community has consolidated a strong multi-ethnic presence in civil society activism. There is now a sizable Malay middle class and intelligentsia, who are active alongside other civil society groups and movements. One of the limitations of CSOs in promoting local democracy is that the leadership of the capital city is appointed by the Government, which deprives CSOs of the chance to significantly influence decisions related to urban management and development.

Civil society in Pakistan has been playing an instrumental role in promoting and sustaining democratic governance. However, the democratic political process in Pakistan has been disrupted four times in its 60 year history when the military has taken over political power through coups. Each military takeover has been followed by the introduction of elections and civilian government. Severe constraints were placed on civil society by the military-led governments of Ayub Khan (in the early 1960s), Zia-Ul- Haq (in the eighties) and Musharraf in the recent past. During the civilian governments, however, civil society continued to be an active partner in governance. During the Musharraf period, an expanding urban middle class, freedom of the press and judicial activism led to the emergence of such civil society organizations as the Lawyers' Association that agitated to have the emergency lifted. President Musharraf resigned and the former Chief Justice of Pakistan was reinstated to ensure the independence of Judiciary. The role of peaceful demonstration by the Lawyers movement was dramatic in ensuring the independence of judiciary.

In Bangladesh, CSOs are playing an important role in promoting democratic local governance. They are actively engaged in monitoring elections at national and local levels, advocating human rights including women's rights, lobbying the Parliament for reserving women's seats in local councils and national parliament and promoting greater accountability of elected officials.

In India, the right to information act has given a potent tool to CSOs through which they make local government accountable for public expenditure, execution of development policies and free and fair local government elections. The reservation of women's seats in the local government elections increased the participation of a large segment of the population. In their efforts to promote inclusive political participation, CSOs find a strong ally in media as a watchdog. They also have outreach programmes with youth to get them more engaged in the democratic process. CSOs are actively engaged in the issues related to minority rights in India and seek their wider participation through reserved constituencies. The most significant contribution of CSOs to democratic local governance is their engagement with citizens to hold local government officials accountable for service delivery and access.

Policy Perspectives

National governments play a central role in promoting democratic local governance and development through three sets of national policies and programmes - those dealing with the creation of a multi-level institutional framework that assigns catalyst roles to local governments in coordination of local development, those concerning capacity development of local governments and those dealing with the provision of services, infrastructure and local economic development. They provide an enabling environment for local governance and development. The analysis in this paper suggests the following actions on the part of national governments which, to varying degrees depending upon the country context, can facilitate the process of local development through democratic local government.

> (1) A clearly articulated national decentralization policy that devolves resources to local governments
> in proportion to their responsibilities and is implemented continuously over a longer period of time
> - including decentralization and local governance legislation and mechanisms for inter-governmental
> finance and management;
> (2) A national capacity development programme for local development - including building administrative

and financial capacity of local governments to design and implement local developmental activities, re-orienting national and local public officials to engage in participatory planning and forge partnerships with civil society organizations, and strengthening organizational capacity of civil society, public sector agencies and the local private sector to set local priorities, mobilize local resources and co-produce services for the communities;

(3) Free and regular elections at the local level to elect local government councilors;

(4) National legislation and related actions that facilitate active engagement of civil society organizations at the local level including NGOs, community groups, women's organizations and professional associations;

(5) Recognition of the community-based institutions and voluntary organizations within the governance system of the country to enable them to articulate their demands, manage their resources and actively participate in local development processes;

(6) Streamlining the relationship and enhancing communication channels and coordination mechanisms between local governments and field offices of national government and sectoral ministries, placing local government at the centre of local development efforts;

(7) Increasing knowledge and skills among local actors - local government officials, civil servants, community leaders and representatives of civil society - to improve public service delivery, public infrastructure and local economic development activities;

(8) Providing additional financing to supplement local budgets and community resources through such mechanisms as inter-governmental transfers and grants to local governments.

International development partners - including United Nations agencies, the World Bank, bilateral donors and international NGOs - have been supporting national efforts to promote local government and local development. The Donor Partner Working Group for Decentralization and Local Governance (DPWG-LGD) has been focusing on the strengthening of local government systems as a "direct contributor to local development" (DPWG-LGD, 2007). The Integrated Framework Sub-Group of the Donor Partner Working Group has emphasized the need for supporting a "harmonized framework" to increase local development effectiveness.

Experience suggests that external development partners can support local development through local government systems in many ways. They can support countries in framing the scope of an integrated framework for strengthening local government systems in view of the country's vision of decentralization. They can coordinate and synchronize external partner support in order to maximize the effectiveness of assistance. Specifically, external partners can undertake the following actions to support an integrated framework for local development through elected local government:

- Support the development and reform of policies and legal framework of the local government system and the alignment of all macro and sector policies and legal frameworks
- Assist in reorganizing the local government institutional and organizational structures, and operating systems and procedures
- Develop capacity at the local government level in the basic operations of a local government (public expenditure/income, asset and revenue management etc), service delivery, engagement and participation of communities and local councilors
- Support capacity development at the national level - including capacities of the Ministry of Local Government, sectoral ministries, and Ministry of Finance and Planning
- Allocate funding through the local government system, utilizing budget or project financing modalities
- Support national efforts in the articulation of vision, reform of policies and regulatory frameworks, restructuring institutions, developing operating systems and procedures, developing capacities and utilizing local governments to deliver local development

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