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## Civil society and good governance

### Key points:

1. Civil society organisations (CSOs) and networks are important players in national political life, with the potential to improve governance and transform state – society relations.
2. A robust sector analysis and drivers of change approach can reveal which CSOs are representative of poor people and have greatest access – often groups other than NGOs
3. Donor programmes benefit from an integrated approach to governance which supports the wider enabling environment for citizen-state engagement

*“What makes the biggest difference to the quality of governance is active involvement by citizens – the thing we know as politics... It’s the only thing that can in the long run transform the quality of decision making in developing countries and the effectiveness of states”.*

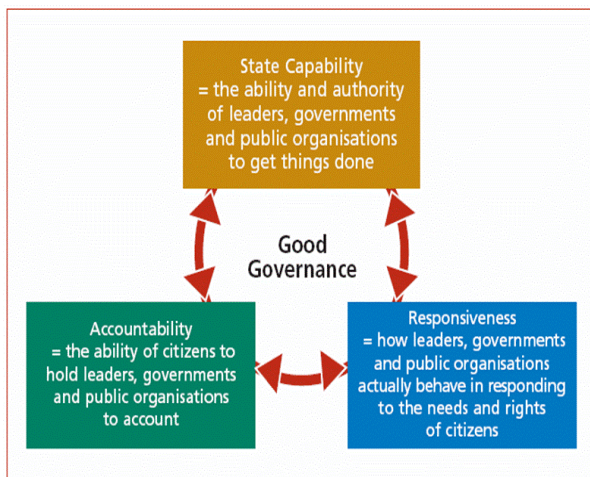
Making Governance Work for the Poor, DFID White Paper 2006

Civil society can make a significant difference in improving governance – as innovators in service provision, developers of pro-poor policy, investigators of state abuses, monitors and overseers of state institutions, and advocates with and for poor people. A strong civil society contributes to an effective state that can protect people’s human rights, support economic growth, tackle corruption and provide security and basic services like education and health care.

Building on DFID’s commitments set out in our 2006 White Paper, *Making Governance Work for the Poor*, this briefing note explains *why* and *how* support to civil society organisations can help transform states and society. A complementary How to Note on *Working with Civil Society* will follow to provide more practical guidance on operationalising this support.

### **Governance is about how citizens and the state engage...**

Governance is about the exercise of power and authority and how a country manages its affairs. This can be interpreted at many different levels, from the state down to the local community. It refers to the institutional arrangements within which all organisations operate – the formal and informal ‘rules of the game’. It concerns politics, rights and the relations of people, resources and power in diverse institutional and social contexts.



The White Paper sets out three overlapping principles for good governance: capability, accountability and responsiveness. All three characteristics are needed to make states more legitimate, effective and inclusive, to tackle poverty and to improve people's lives. And all three characteristics reflect the need for state and citizens to work *together* to build effective states, to strengthen what is already in place and to develop new institutions where necessary.

### ...and civil society lies at the heart of this relationship...

Civil society organisations (CSOs) and networks are important players in national political life, with the potential to strengthen governance and transform state-society relations. They do this by *linking citizens to the state* through formal and informal bridging mechanisms, as well as bonding citizens to each other. In many cases, CSOs offer the only opportunity for poor people to engage with the state.

*How this happens is extremely varied* – CSOs are diverse and complex, operating at international, national and local level and motivated by all sorts of different agendas, not all of which favour poor people or the common good. In many cases CSOs can reproduce and reinforce unequal social relationships, and through their agendas or practices can discriminate against women or marginalised groups such as disabled people.

### ... and takes many different forms.

Civil society organisations are often referred to as *non-state* actors, separate - but not independent from - the state and market. However, the boundaries between civil society, the state and the market are often blurred, because these groups are constantly interacting and negotiating around common issues.

There are many definitions of civil society, and the roles, forms, interests and politics of CSOs vary enormously from place to place. However, a useful working definition for DFID is given in Box 2 below.

#### Box 1: CSOs and development: Some estimates

- Non-Governmental Development Organisations have estimated annual revenues of US\$12 billion.
- NGOs are estimated to reach 20% of the world's poor.
- CSOs in Ghana, Zimbabwe and Kenya provide 40% of all healthcare and education.
- There are an estimated 22,000 development NGOs in Bangladesh alone.

(Source: ODI Briefing Paper 3, June 2006)

### **Box 2: Defining civil society**

Civil society describes the multitude of associations, movements and groups where citizens organise to pursue shared objectives or common interests. These organisations function beyond the individual or household level, but below the state.

Civil society organisations include highly institutionalised groups such as religious organisations, trade unions, business associations, international NGOs, think tanks; local organisations such as community associations, farmers' associations, disabled people's organisations (DPOs), local sports clubs, cultural groups, business groups, local NGOs, credit societies, community media outlets; and looser forms of association such as social movements, academia, networks, virtual groups, and citizen groups outside national borders such as diaspora.

Ethnic, sub-regional, continental and global networks add further complexity to this huge range of groups. Diasporas play an important, often unacknowledged, role in development back in their 'home' countries, providing foreign exchange, new skills and experience of the practice of modern governance.

Political parties and factions, and even drug cartels and criminal gangs that capture and distribute resources amongst members, are sometimes included in definitions of civil society. This note does not explore the role of these groups.

## **How can CSOs help build capable, accountable, responsive states?**

*“Good governance and development are about people and governments of developing countries working out [a] deal for themselves... And beyond the formal structures of the state, civil society organisations give citizens power, help poor people get their voices heard, and demand more from politicians and government”*

Making Governance Work for the Poor - DFID 2006

### **New opportunities for civil society are opening up...**

The last two decades have seen dramatic changes in the social, political and economic contexts which frame citizen-state-market relations. The number of states which have adopted pluralistic democracy and liberal market economies has expanded rapidly in developing countries. Globalisation, democratisation, decentralisation and advances in information and communication technologies have fundamentally changed the environment within which civil society operates, and in many cases have led to new forms of partnership with the state. In many countries, both civil society and the state are learning to adapt to these changes, and opportunities for progressive partnerships are growing. However, these changes are contested and political, because they concern the division of power.

Fostering good governance is by no means the only objective of CSOs. Many traditional, cultural and faith based organisations, for example, do not seek to engage in any way with the state. Civil society has a history and trajectory of its own that is completely separate from donor policies. Nevertheless, among the many varied roles

of CSOs, there are countless examples of civil society activities that attempt to change the lives of poor and excluded people by strengthening governance.

### **...and many CSOs are eager to engage with the state in different ways.**

CSOs can complement, inform, influence or challenge the state – a role often referred to as the ‘demand side of governance’. Pressing for better public services, pushing political leaders to improve the performance of the state, identifying who does and does not benefit from public spending (especially groups of poor people), lobbying for the rights of excluded groups such as disabled people, lobbying for land rights, campaigning against corruption, brokering relationships between poor people and local authorities, offering solidarity networks, engaging in public-private partnerships or delivering services – the list of approaches is extensive, reflecting the great diversity of both CSOs as well as state institutions.

Using the capability, accountability and responsiveness framework outlined above, CSOs’ potential role in strengthening governance is considered below. This framework is helpful in breaking down the many different roles of civil society, although in reality the three areas are integrally related.

#### **a. Building state capability**

A capable state formulates and implements policy in a participatory, effective, inclusive manner. It requires bonding and bridging social capital to build and sustain effective states. Although the nature and extent of participation may vary according to the sector, states that are able to recognise, regulate and partner with CSOs to improve governance are likely to benefit from rich and diverse contributions. Some ways in which CSOs can strengthen state capability are:

- Participatory planning, policy and budget formulation: CSOs can bring sectoral expertise and understanding of realities on the ground that can help governments prioritise and refine public policy to benefit poor people, including strategies for reaching women, excluded groups or minorities. State capability is strengthened when governments are willing to incorporate and institutionalise this learning in their policy and practices. For example, in Uganda, CSOs have had a very active role in developing government HIV/AIDS policy.
- Delivering basic services: in both fragile and effective states, civil society can deliver low-cost, efficient services that are able to reach the most vulnerable. When appropriately contracted, coordinated or regulated by government, this can help build state capability.
- Providing training to public service providers such as health workers.
- Delivering civic education and raising citizens’ awareness about national policies, and their rights and responsibilities. For example, CSOs can raise citizens’ awareness about rights and services to overcome barriers to official security and justice institutions.
- CSOs can provide alternative justice systems that can complement formal structures, and engage in peace-building, mediation and conflict resolution. A good example is the work by Radio Okapi in the Democratic Republic of Congo to promote the peace-process.

In many countries, including fragile states, the public sector cannot or does not provide basic services, and the services that CSOs provide are likely to be extremely important for poor people. However, an unregulated or uncoordinated plethora of CSO service provision can, in the long run, weaken the state's capability or authority by reducing opportunities for citizens to engage with the state (an important part of the state-building process), absorbing donor funds and operating without quality control. If the state has no record of CSO service provision, it is harder to target its limited resources equitably. Better long-term impact may be achieved through light-touch coordination with the state.

## b. Strengthening state accountability

Society's role in holding the state to account is very broad-ranging in focus. Often referred to as 'social accountability', this role involves direct or indirect participation of ordinary citizens or civil society organisations in the policy, programme or political cycle. Each phase is inter-connected, and CSOs may engage in all or any of the following activities:

- influencing **standard-setting** (e.g. lobbying for legislation on transparency, adherence to international commitments on human rights)
- carrying out **investigation** (e.g. monitoring and evaluating government programmes through participatory expenditure tracking systems)
- demanding **answers** from the state (e.g. questioning state institutions about progress, Parliamentary public hearings)
- applying **sanctions** where the state is found to be lacking (e.g. protests, boycotts, strikes or negative publicity).

Social accountability initiatives can take place within state-approved mechanisms or independently. In many countries, the state has established participatory fora where CSOs can hold government and public organisations to account. Poverty reduction strategies have opened up new opportunities for institutionalising this kind of civil society participation in governance, although it has often met with considerable obstacles. Civil Society for Poverty Reduction in Zambia and the Malawi Economic Justice Network are examples of good practice in budget tracking and creating national citizen budget awareness.

Although these opportunities are potentially very significant, unequal power relations between government and CSOs, and historical context, often limit the depth and breadth of participation. Unequal power relations *within* civil society often marginalise or co-opt the voices of some sectors, particularly women and disabled people.

In other contexts, no such opportunities may exist, or CSOs may question the value of participating in government-controlled forums. Many local CSOs are marginalised by government, and experience persecution and violation of human rights by speaking out. In such cases, they may mobilise to exert pressure on government through a more independent and critical approach. For example, Transparency International Bangladesh is effectively tackling corruption through Community Watchdog Bodies and Advice Information Centres.

Social accountability complements, rather than replaces, formal checks and balances. Formal accountability mechanisms include parliaments, the judiciary, ombudsman and national audit bodies. CSOs can help strengthen official mechanisms for example by working with legislatures or training legislators, who in turn hold the executive government to account. One promising approach is the creation of coalitions of support, whereby CSOs join forces with other reformers – including state institutions - to seek change. An example of this is DFID Nigeria's Coalitions for Change programme, involving civil society, government, the private sector and the media.

### **c. Encouraging state responsiveness**

A responsive state addresses the needs and rights of all its citizens. Exclusion is an indicator of poor governance: a sign that a state is consistently unresponsive to the needs and rights of certain groups of people. CSOs can play a crucial role in strengthening state responsiveness by identifying and facilitating the voice of poor citizens, and serving as a channel for demanding rights and social change.

Having no power and no voice is described by poor people around the world as a central characteristic of poverty. Poor people may sometimes have the opportunity to articulate their needs and priorities individually, but their impact and power is usually only felt when channelled through a 'collective' civil society organisation. This is particularly the case for women, and women's civil society organisations have a unique role to play in enabling women's voices to be heard and holding the state to account on women's rights. The meaningful inclusion of women in dialogue and decision-making – including through women's CSOs - is vital for good governance.

CSOs attempting to increase a state's responsiveness employ a range of strategies depending on how receptive government is, whether state-citizen relations are established, and the type and level of CSO capacity. Strategies include advocacy (e.g. lobbying reformers within government, or the international community), feeding back research results and informing debates (e.g. inequality assessments and Poverty and Social Impact Analysis), and social mobilisation (e.g. campaigns). The role of the media in providing two-way communication between citizens and the state is especially important.

CSOs in the 'north' and 'south' often work in partnership to pursue their objectives, effectively linking grassroots communities to international policy-making bodies. For example, decades of international mobilisation on gender issues by CSOs around the world undoubtedly contributed to the success of the Rwanda Women's Parliamentary Forum. However, power relations between 'northern' and 'southern' CSOs are often unequal, giving rise to tensions over funding, roles, accountability and legitimacy. International NGOs often dominate governance and development policy dialogues; this needs to change so that more CSOs from developing countries are directly influencing this process.

### **How accountable are CSOs?**

Civil society organisations themselves face important issues of capability, accountability and responsiveness, elements which underpin their own legitimacy and ability to engage with the state. Donor funding, technical support and capacity

building have tended to focus on CSOs' capability and responsiveness challenges, and accountability to donors. Little systematic attention has been given to strengthening the accountability of CSOs to their members or beneficiaries - despite examples of corruption, abuse of power, resistance to self-regulation and weak regulatory frameworks. Some typical challenges include:

- NGOs that claim to speak on behalf of poor people or of a particular group (such as disabled people or children) are rarely 'elected' by their constituency and may represent the interests of a small minority.
- CSOs may reproduce existing divisions (clans, castes, class, religion, gender etc) within society e.g. the caste composition of NGOs in India.
- Membership groups (eg trade unions) tend to be more representative because they have a clear constituency and elected leadership. However, in practice members may not have the power, information or capacity to investigate or demand answers from representatives.
- Traditional leadership structures often have high legitimacy, but can be exclusive and inequitable in membership and focus e.g. towards women.
- Donor funding may skew CSO accountability towards donors.

In response to concerns about civil society accountability, many international NGOs have signed up to an Accountability Charter, laying out some of the principles and governance structures for their engagement, and are also working with local partners to improve their accountability. This is an important start. Donors can further this agenda by scrutinising the accountability of partner CSOs towards beneficiaries, supporting them to become truly accountable.

## How can donors support the role of CSOs in governance?

### There are many challenges to providing donor support...

Donors increasingly recognise that strengthening state-citizen relationships is an important part of building effective states, and that in order to achieve this support for the government needs to be complemented by support to civil society, parliament, the judiciary, etc. In terms of supporting civil society, however, donors have not found this easy to achieve for various reasons:

- Donor incentives may focus on short-term results rather than incremental long-term change necessary to develop accountability relations.
- Donors may be wary of endangering their own relationships with governments in contexts where social accountability focuses on state corruption or challenges the status quo, and is necessarily political.
- Knowing which CSOs to engage with can be difficult, especially if donors are not very familiar with the context and wary of 'politicised' organisations. Donors may be tempted to 'play safe' by engaging with the same CSOs each time – typically urban-based, 'westernised' NGOs.
- Difficulty in measuring the impact of civil society strengthening work.
- Shifting aid modalities and increasing use of budget support have challenged support to civil society. Administrative procedures and high transaction costs are disincentives for donors to directly fund local CSOs.

## ...and donors risk doing more harm than good...

Donor engagement with CSOs can actually distance these organisations from poor people, neutralise radical agendas or reinforce societal differences. Finding a balance between supporting, giving space to and – in contested spaces – providing cover to civil society organisations, without controlling them or compromising them in the eyes of those whom they represent and wish to influence, is a tremendous challenge.

In fragile states, donors are often keen to channel large amounts of aid through CSOs, but are concerned about undermining weak states or even creating ‘parallel states’. The recognition that capable, accountable and responsive states are important for long term development goals means that support to civil society should be strategically designed to support this end goal.

Conditionality requirements, burdensome donor missions and uncoordinated approaches can require partner governments to spend too much time responding to international partners rather than their domestic constituencies.

## ...but some key lessons can point the way

Despite the associated risks, engagement with civil society is important to ensure a balance of aid instruments and partners that can deliver desired results to the poor. It is also vital to achieve country ownership. A number of lessons have emerged from around the world for donor engagement:

- 1) **Carry out a robust sector analysis:** Identifying which CSOs have a progressive agenda on poverty reduction, long-term state building and citizen-state relations requires donors to have a sound analysis of the civil society sector and to look beyond ‘traditional’ partners such as NGOs. Other kinds of CSOs such as faith-based organisations or social movements, including disability movements, are often more representative of poor people and/or enjoy greater political access than many international NGOs. Donors need to develop skills and tools to recognise and work with indigenous civil society, which may look and act quite differently to ‘traditional’ NGOs.
- 2) **Understand the ‘trade-offs’:** support to civil society inevitably involves balancing conflicting agendas, dynamics and goals (e.g. upward vs. downward accountability; short-term results vs. long-term change processes, innovative pilot approaches vs. ‘tried and tested’ NGOs, core funding vs. projects etc). Making choices means understanding how the local context is shaped by history, geography, demographics, the environment, culture and politics (for example through Drivers of Change analysis).
- 3) **Adopt an integrated approach to governance:** Evidence suggests that governance reforms that focus exclusively on state organisations are rarely successful. Pro-poor change is more likely if incentives rooted in local political systems and informal institutions favour state-civil society engagement. Identifying conditions that foster civil society mobilisation *and* support the state’s ability to respond is most likely to enable change. For example, the Indonesia Multistakeholder Forestry Programme showed how building coalitions for change



between civil society and government organisations led to a transformation in use of forest land and resources to benefit poor people.

- 4) **Support the enabling environment:** Donors and reformers need to move away from a narrow focus on specific policy agendas towards broader support for the enabling environment and opportunities for progressive change. This might involve technical, financial or political support. Four elements of the enabling environment include:
  - a) **Respect for human rights:** supporting states to develop *and implement* international and domestic legislation so that citizen participation and inclusion is not hostage to changing circumstance. This includes independent structures for handling complaint and sanctioning the state.
  - b) **Regulatory framework:** an appropriate legal framework and operating environment for CSOs and the media helps ensure these groups can operate without fear of retribution or closure. Problems can occur if highly specific legal frameworks are used to control CSO activities.
  - c) **Access to information:** information, transparency and good communication are essential to meaningful citizen-state engagement; free and independent media are necessary to make information available to poor people and provide channels for voice. Donors can support legislation on freedom of information, and structures and resources for implementing laws.
  - d) **Established, accepted relations:** a more equitable distribution of resources, opportunities or decision making within society requires dialogue between CSOs and the state to be sustained and institutionalised, given 'teeth' through strategic plans, legislation, or institutions dedicated to managing this engagement.
- 5) **Support coalitions for pro-poor reforms:** donors can help broker dialogue between different groups and look for opportunities to strengthen the capacity of CSOs to combine in more influential alliances and networks for change. For example, FUNDAR in Mexico fostered NGO-legislative collaboration, resulting in a ten-fold increase in public spending on maternal mortality.
- 6) **Adopt whole sector approach to civil society capacity building:** Building civil society is a long term project that requires sustained support and multiple interventions for activities, training and core costs that will contribute to the development of a critical mass. Beyond support to individual organisations, donors should promote and defend civil society more broadly; for example through support networks, umbrella organisations and civil society leadership.
- 7) **Strengthen capacity of civil society and state to engage:** Critical skills for CSOs to engage effectively include budget 'literacy'; legal and rights awareness; capacity to analyse policy and carry out advocacy, to organise in effective coalitions and to engage with parliament ('bonding' and 'bridging' social capital). Donors can usefully assist CSOs to develop 'downwards' accountability and transparency to increase their legitimacy as interlocutors. It is likewise important to build government capacity to manage participatory processes and provide the right kind of information to CSOs.

- 8) **Provide support to women's CSOs and ensure that all support to civil society is gender sensitive:** In order to ensure that women's voices are heard, that the state is held accountable on women's rights and meets women's needs, donors should support the development of strong women's CSOs. In addition, donors should ensure that all their support to civil society actively promotes gender equality and, more broadly, social inclusion.
- 9) **Respect local processes:** sustainable domestic accountability must be led and controlled locally. Respect for a country-led approach in supporting civil society requires donors to match funding to capacity, help organisations expand organically and assess donor dependency challenges. Local ownership requires donors to be dynamic, and adapt the focus of aid, mix of instruments and partners as new opportunities appear.
- 10) **Recognise the value of donors as political actors:** The role of donors as political 'sparring partners' or 'brokers' between civil society and the state can be more important than funding - especially in contexts where relations are antagonistic or messy. This is important to remember as donors seek to reduce the transaction costs of working with civil society.

This guidance was produced by Effective States Team (EST) in Policy & Research Division. For more information about DFID's policy on engaging with civil society, please contact EST.