





DEMOCRATIZATION, CIVIL SOCIETY AND GOVERNANCE



INTRODUCTION

Democratization—the process by which individuals and groups freely choose their leaders and have an effective say in government and the public policy process—is regarded by many as both an instrument and a goal of development. A representative, transparent and participatory democracy can provide an enabling environment for tackling issues of human welfare and social cohesion. UNRISD work in this field initially focused on popular participation, which was seen as essential to empowering disadvantaged groups and improving their livelihoods, and for shaping government policies that were responsive to those groups.

Economic and political changes in the 1980s and 1990s influenced the direction of UNRISD research on democratization. Economies became more open, authoritarian regimes collapsed, and human rights assumed prominence in public policy debates. As governments adopted policies of market liberalism and fiscal conservatism, understanding the capacity of representative institutions to hold governments accountable in economic policy making emerged as an important field of inquiry. In addition, the Institute's work on democratic participation assessed the role of civil society groups in policy making and projects in specific urban contexts, and in agrarian and environmental issues more widely. It also considered NGO attempts to influence the international development policy agenda.

Because many institutions of the state have been weakened by economic crisis and stabilization programmes, they have sometimes been unable to meet their social responsibilities, including the delivery of services, management of conflicts and democratization. The international financial institutions have begun advocating a range of reforms that promote a new model of governance and aim to improve state capacity. They emphasize managerial efficiency, market-based incentives and the greater involvement of NGOs in service provision. UNRISD research has examined the effects of these reforms on state capacity and service delivery.

“UNRISD’S HALLMARK
IS UNDERTAKING
INNOVATIVE AND
MULTIDISCIPLINARY
COLLABORATIVE WORK
IN AREAS AFFECTING
SOCIAL DEVELOPMENT.
FROM ITS INCEPTION,
UNRISD HAS DONE
GROUND-BREAKING
WORK IN A WIDE RANGE
OF AREAS—OFTEN
OPENING UP NEW
FIELDS OF RESEARCH.
THE SCOPE IS HUGE—
INCLUDING INNOVATIVE
WORK ON SOCIAL
INDICATORS IN THE
1960S, AGRARIAN
REFORM IN THE 1970S,
AND ADJUSTMENT AND
SOCIAL DEVELOPMENT
IN THE 1980S AND

1990S. THE STUDY OF
DEMOCRATIC SYSTEMS
IN ETHNICALLY
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AND ON-THE-GROUND
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PIONEERING
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PARTICIPATION AND SOCIAL MOVEMENTS

Throughout the 1960s and 1970s, various United Nations declarations and resolutions, as well as many experts, endorsed people’s participation as an important tool and a major goal of a popularly based alternative strategy for development. But for the most part, participation was defined and applied narrowly, and involved the mobilization of people to implement development projects or take part in decentralized government bodies and related organizations. For its part, UNRISD chose to define participation more widely, as “organized efforts by the hitherto excluded to increase their control over resources and regulative institutions”. This assumed the willing, informed and active involvement of people in decision-making processes. Participation was essentially a question of the distribution of power and resources in favour of the disadvantaged and disempowered. UNRISD argued that development policies should be measured primarily in terms of their effects on greater popular participation and enhancement of livelihoods (Pearse and Stiefel 1979).

Understandably, those who believe that equitable resource distribution and social welfare automatically flow from economic growth and modernization have not always endorsed this rather far-reaching definition of participation. But many academics, development planners and NGOs have found it useful.

The issue of participation was central to the Institute’s research in the 1960s on Methods and Problems of Social Development and Planning at the Local Level. This work entailed a survey of 400 national and international project personnel in 13 countries to better understand the different factors that influence the outcomes of development projects. It identified the motivation and participation of local people as key to success (Hyman et al. 1967).

In the 1970s, UNRISD launched a major programme on Popular Participation, which examined the forms and outcomes of participation in different geographical, social and institutional settings, particularly in Latin America and Asia. In relation to rural populations, the inquiry examined the struggles for land, livelihood and improvement of production technology. Studies in China, Mexico, Nicaragua and Peru focused on attempts by the state to organize peasants within the framework of a national policy (Rello 1986; Stiefel and Wertheim 1983). Work in Bolivia and Colombia analysed peasant participation within large-scale national movements (Zamosc 1987; Calderón and Dandler 1986), while research in India and Thailand was concerned with participation at the local level (Turton 1987).

Other research focused on the struggles of urban workers and trade unions in Brazil, Chile, Guyana and Peru to improve pay, welfare, working conditions, organizational autonomy and human

rights, as well as efforts by the urban poor in Buenos Aires, Caracas, Santiago and São Paulo to improve their neighbourhoods and gain control over local institutions (Barrera et al. 1986; Barrera and Falabella 1990; Kowarick 1988). Studies were also undertaken on the efforts of indigenous groups in Latin America to defend their identity and traditions, and the role of women (see chapter 6) in popular movements in India, Thailand and Latin America (Omvedt 1986; Rivera Cusicanqui 1986).

The research suggested that the extent to which popular organization and social movements can influence development outcomes depends on organizational capacity, accountable leadership, internal education, and ability to forge effective and durable alliances. It cautioned, however, against broad generalizations about the elements of effective participation, revealing instead the unpredictability of outcomes in specific contexts. One conclusion that remains highly relevant is that popular organizations and social movements must guard against internal tensions and abuse of power, as well as attempts at control or threats emanating from both government and private interests (Stiefel and Wolfe 1994).

The participation project was as much about “action” as it was about “research”. Those taking part were researcher-activists who used both participatory and traditional social science methods, and linked these to “basework”. The latter involved

using research at the local level to supply groups and movements involved in emancipatory or livelihood struggles with tactically useful information, and engaging them in dialogues that would generate consciousness and empowerment. Much of this information and exchange of views was disseminated in the UNRISD series, *Dialogue about Participation* (UNRISD 1981, 1982, 1983a, 1983b).

Contemporary grassroots action

While the contemporary wave of democratization has provided new institutional and political spaces for collective action, excluded groups still find it extremely difficult to defend their livelihoods and influence policy-making processes. Some of the specific difficulties have been revealed in UNRISD work on urban governance and land reform.

In the 1990s, the Institute carried out a series of studies on volunteer action and grassroots collaboration with local authorities in eight cities: Chicago, East St. Louis, Ho Chi Minh City, Jinja, Lima, Mumbai, São Paulo and Soweto-Johannesburg. The case studies identified a number of positive impacts for the participating individuals and organizations, and several useful lessons. Many groups and organizations were weary of past antagonisms with state institutions

and sought responsible, accountable and competent state structures and services at all levels. In practice, however, collaboration tended to be fragile and ephemeral, and its impact on the policy process quite limited (see box 5.1). In large measure this stemmed from the local authority's lack of will or ability to implement and/or maintain its contribution to the collaboration. It was also due, in part, to its tendency to instrumentalize collaboration for short-term purposes. The collaborative efforts studied were also constrained by the lack of technical knowledge or managerial weakness of some community-based organizations (CBOs).

UNRISD work on contemporary land reform and social movements, carried out in the late 1990s, also indicated that social mobilization generally occurs on a small scale. Moreover, few reliable outside forces provide sustained support for peasant demands. The ability of civil society groups to influence powerful landowners, large agricultural investors or state agrarian reform policy is limited. At the same time, the agricultural sector is being transformed by neoliberal policies while investors and speculators are increasing their control over productive land and other resources. Many poor rural people are becoming increasingly dependent on consumer goods and food purchase, while internal community or group solidarity has declined in many contexts (Ghimire 2001a).

Rural women began to participate in growing numbers in rural unions in the 1980s. However, securing women's land rights was generally not a priority of rural social movements. Some, such as the Landless Workers' Movement in Brazil, eventually acknowledged that the failure to recognize women's land rights was prejudicial to the advancement of agrarian reform and the movement itself. In response to social and political pressure, the Brazilian state has adopted mechanisms for the inclusion of women's interests in its agrarian reform policy (Deere 2003).

UNRISD has also examined one of the paradoxes of neoliberal reforms: their attempt to engage civil society in development projects, service delivery and consultative processes linked to policy making, and the simultaneous groundswell of civil society opinion and activism against such reforms. This work has brought out the heterogeneous character of civil society positions and responses to market reform. "Market advocates" support the expansion of market relations and economic liberalization; "market sceptics" express misgivings about the possibility that the market mechanism can resolve rural poverty and inequality but are prepared to collaborate with mainstream development institutions; and "market opponents" try actively to oppose such institutions and construct radical alternatives (Ghimire 2003).

Box 5.1—Grassroots-local government collaboration

In Chicago, an alliance of neighbourhood organizations and housing advocates that was formed to protect poor people's homes was constrained by the market approach to community development adopted by city authorities. CBOs were forced to adapt their housing strategies to market demands, weakening their ties to low-income tenants (Ranney et al. 1997).

In Lima, local authorities and urban CBOs sometimes worked together to promote sustainable development, despite numerous obstacles. Successful collaboration built on the strengths of the people and their organizations, enabling strategies to be fine-tuned to specific local contexts and illustrating the importance of a decentralized approach to development and government in this megacity (Joseph 1999).

In Mumbai, a coalition of NGOs, CBOs and government agencies succeeded in halting corruption in the public distribution system of subsidized grains, oils and cooking fuels. In the same city, NGOs and CBOs worked with city authorities and agencies to strengthen slum dwellers' rights to tenure and to improve their security in the face of harassment by property owners. However, in both cases, the gains were eroded when the officials who spearheaded the reforms were transferred—revealing the absence of accountability in the civil service to follow through on decisions (YUVA 1999).

In São Paulo, the introduction of participatory budgeting provided an opportunity for the public to review the city's spending priorities. However, the influence of community organizations on outcomes was limited because of the minority position of the Workers Party, which championed the scheme, in the city council.

In general, collaborative relations between city authorities and community organizations have remained limited and fragile. And there is little evidence to suggest that collaboration has contributed to widespread, lasting improvement in the livelihoods of low-income and marginalized groups in these cities (Westendorff and Eade 2001). The phenomenon of participation—evidenced by neighbourhood consultations with local authorities, community contributions to project implementation, and improving legal and administrative frameworks governing relationships with CBOs—has remained confined to the micro level. Rarely have collaborative efforts become a city-wide practice receiving the full support of local authorities. Rather, the latter tend to accept small-scale collaborations as a form of lip service—and if collaboration poses real challenges to the status quo at the city or regional level, those in power tend to react strongly, forcing the experience “back into the micro” and, sometimes, threatening any gains that had been achieved.

ICTs, networking and activism

The rapid development of information and communication technologies (ICTs) has had important implications for social mobilization and grassroots activism. UNRISD has examined the ways in which ICTs are affecting people's access to information, knowledge and policy making, as well as their livelihoods, culture and forms of political and social organization. ICTs can promote development, awareness of rights and democratic governance. And they can improve state capacity to deliver services efficiently. However, these virtuous outcomes should not be taken for granted. Advances in ICTs respond to the demands of specific interests, and this may create a digital divide that reinforces the wider development divide.

The ways in which very different interests attempt to use and control ICTs has been the focus of UNRISD research under various projects (Hewitt de Alcántara 2001; Ó Siochrú and Girard 2002; O'Neill 1999). For many civil society organizations and social movements ICTs have become key mobilizing instruments. This is apparent not only in relation to urban-based organizations and movements, but also rural ones.

UNRISD research in Senegal revealed that ICTs are having significant impacts in relation to democratization and social integration. FM radio has widened the arena for democratic debate, and mobile phones helped to minimize the incidence

of fraud during the 2000 presidential elections, as results were transmitted quickly by reporters at polling booths across the country. There has also been a rapid expansion of independent media. Certain groups, such as the Mouride brotherhood, are employing the Internet strategically to strengthen the sense of economic and social community among spatially dispersed members. ICTs have also been key to improving communication among diaspora communities, as well as their links with their places of origin (Diop 2003).

In numerous countries the work of rural groups and activists has been facilitated, as local-level experiences and human rights issues gain world attention thanks to rapid communication links. Peasant groups and NGOs, for example, have been instrumental in disseminating information on events in rural areas, such as massive land invasions and associated violence in Brazil; peasant mobilization in Chiapas, Mexico; and land conflicts between rural labourers, landed groups and agribusiness in the Philippines. There have been notable attempts to build regional and international alliances among like-minded forces, at times with assistance from international agencies (see box 5.2).

Box 5.2—A knowledge network on land reform

Between 1997 and 1999, UNRISD and IFAD worked together to establish a global knowledge network on land reform, with the goal of identifying and disseminating promising local-level knowledge, experiences and project ideas across countries. The two agencies set up an advisory committee consisting of a range of actors and institutions concerned with land reform and the role of civil society organizations in initiatives for change. The network initially covered seven regions of the developing world, and dovetailed with the creation of national networks in 23 countries where land reform is an acute socioeconomic and political issue.

The network's five main activities are:

- > identification of promising cases of participatory land/tenure reforms;

- > wider dissemination of relevant information and grassroots experiences, enabling the rural poor to interact directly and learn from each other;
- > capacity building and training of land reform beneficiaries;
- > action-research and evaluation to better understand why and how certain initiatives and processes take place and the obstacles they face; and
- > promotion of dialogue and learning—among grassroots organizations, NGOs, bilateral and international institutions, and government bodies—about land reform approaches, constraints and practical experiences.

The International Land Coalition based at IFAD, Rome, is currently managing the global knowledge network on land reform.

Source: Ghimire 2001a; www.landcoalition.org

DEMOCRATIZING POLICY MAKING

During the 1990s, a wave of democratization flowed through most regions of the world. Demands for accountability, transparency and participation in policy making increased substantially among citizen groups. Multilateral institutions and bilateral donors believed democratization would improve the quality of public policies and services. UNRISD undertook research to examine various aspects of democratization, including citizenship and approaches to policy making.

Promoting citizenship

The ideals of citizenship have become a rallying point for those seeking to moderate the uncertainties and dislocations associated with globalization. Citizenship implies the existence of a political community, a set of rights and obligations, an ethic of solidarity, and participation in public life. Globalization and structural adjustment deprive many national institutions of some of their autonomy and capacity to respond to people's needs. The failure of governments to protect livelihoods has not been offset at the global level, where financial and economic institutions remain unaccountable to civic or political authority. Indeed, the conditions for citizenship are being undermined even in some established democracies that have experienced far-reaching reform of their welfare states.

UNRISD work on citizenship has explored a key question posed in the concluding chapter of its 1995 report, *States of Disarray*: Can new approaches and institutions that reaffirm the civil, political and socioeconomic rights of all people be established to offset the widening divisions generated by globalization? An UNRISD conference on the subject in 1996 highlighted a number of constraints and advances that provide elements of a response (Hewitt de Alcántara and Minujin 2000). Globalization poses both threats and opportunities for citizenship. Even as adjustment and transformation erode the economic and social rights of many people around the world, the spread of ICTs expands awareness of rights and improves the capacity of civil society groups to network globally. Transnational alliances—in such areas as reproductive rights, environmental sustainability, children's welfare and debt relief—are defining and defending new rights within multilateral settings. Support for national democratic governance is essential, since representative institutions can regulate the power of corporations, international financial institutions, authoritarian leaders and technocrats. However, this should be supplemented by efforts to create an enabling international environment for citizenship. This calls for supranational institution building, and requires reform of the governance structures of the United Nations system and the Bretton Woods institutions in ways that improve popular participation, transparency and democratic decision making. The efforts of the

European Union to create regional social citizenship provide useful lessons (UNRISD 1997).

Technocratic governance

Democratization is occurring at a time when global financial integration is narrowing the scope for national-level economic policy making. The Washington Consensus reduced the primary goal of economic policy to price stability, whose promotion requires tight budgets and liberalized markets (see chapter 2). This standardization of economic objectives encourages governments to restrict policy making to technocrats—those with technical expertise in certain domains—working in vital economic institutions, such as central banks and finance ministries. Yet because these bodies are often insulated from democratic scrutiny and control, the structure of accountability—a central pillar of democracy—may be distorted. Governments in many countries have become more accountable to multilateral agencies and global investors than to representative institutions and citizens.

In democracies, parliaments are expected to provide platforms for expressing citizen choices, scrutinizing government policies, and conferring legitimacy on those policies. The core issues of economic policy reform—fiscal stability, debt repayment, privatization and liberalization—affect social groups, communities and institutions

differently, and thus imply hard political choices. It is never obvious that there is only one right way to resolve these issues, or that technocrats are better placed than anyone else to make the right decisions. One danger of depoliticizing economic policy making is that it makes it difficult for governments to build the national consensus and legitimacy required to back up the difficult choices that are necessary in times of economic trouble.

UNRISD research has focused on how governments in developing and transition countries have managed the tension between pressures for technocratic styles of governance, and demands for effective representative institutions. The research shows that governments and parliaments in different countries have chosen distinctive approaches to managing this tension, despite the strength of technocratic forms of rule. Economic size, exposure to a range of financial pressures, technical skills of law-makers, legislative distribution of power and citizen demands are all factors that determine the extent to which policy making reflects democratic choices (UNRISD 2000f).

In some new democracies with presidential systems, parliaments face an executive branch with extensive budget-making powers. UNRISD research in Argentina, Chile and the Republic of Korea suggests that despite their strong presidential systems, executive bodies tend to seek parliamentary legitimacy for their policies. But situations of economic crisis may introduce new

uncertainties in executive-legislative relations (Montecinos forthcoming; Corrales forthcoming; Shin et al. forthcoming).

Democratic decision making on economic issues does not necessarily fare better under parliamentary regimes, which do not always produce coalitions. These governments can be just as obdurate as in presidential systems if they enjoy an overwhelming majority in parliament. Research in the Czech Republic and Hungary, for example, revealed that executive-legislative relations change frequently (Ágh et al. forthcoming; Mansfeldová forthcoming).

Technocratic approaches to policy making often have deep roots in aid-dependent countries. In Benin and Malawi, for example, multilateral financial institutions have played an important role in identifying, supporting and, in some cases, recruiting technocrats for essential economic institutions. The lopsidedness in executive-legislative relations is compounded by the fact that many parliamentarians lack technical expertise or guidance, which limits their ability to scrutinize government policies (Akindès and Topanou forthcoming).

CSOs and international policy making

The institutional changes occurring in the context of globalization have seen international actors—such as the United Nations, bilateral aid agencies,

regional organizations, finance and trade institutions and transnational corporations—assume an increasingly prominent role in global governance. It is no longer enough to focus on national policy-making processes if the development agenda is to be made more responsive to community and citizen demands. The arena of action involving civil society organizations (CSOs) has thus expanded considerably since the 1990s, especially at the international level (see box 5.3). UNRISD work has examined some of the different ways CSOs are influencing the international decision-making process.

CSOs have helped to place a number of issues firmly on the international policy agenda: gender, environment, social development, population, debt reduction, urban questions and food security. They have also advanced many controversial aspects of human rights, political violence and conflicts that are too sensitive for intergovernmental agencies to take up. While the United Nations remains an intergovernmental institution, the growth of powerful civil society actors has prompted certain changes in governance arrangements, including periodic consultations, the establishment of liaison offices and provisions allowing for NGO participation in some aspects of global summits. Today a significant number of CSOs have official accreditation to the United Nations Economic and Social Council (ECOSOC); practically all UN summits facilitate the organization of parallel NGO forums, and many NGOs are invited to participate in expert meetings.

However, procedural formalities and inability to directly influence formal agreements or discussions at important governing bodies of the United Nations—such as the General Assembly and Security Council—continue to hamper CSO engagement with the United Nations system. At the same time, the capacity of the United Nations to deal with civil society demands is severely overstretched (UNRISD 2000e; Krut 1997).

CSOs have been particularly active in highlighting the negative impacts of the present world economic and financial system, by organizing international events and using the opportunities for communication offered by the Internet. Increasingly, CSOs are combining their advocacy campaigns with alternative proposals to the dominant model for dealing with inequality and deprivation. For example, the World Social Forum brings

Box 5.3—Civil society terminology

- *Civil society organizations (CSOs)*—are groupings of individuals and associations, formal and informal, that belong neither to government nor to the profit-making private sector.
- *Non-governmental organizations (NGOs)*—are the larger and more professionalized CSOs that aim to deliver benefits not to their own members, but to the wider community. They are the most visible tip of the civil-society iceberg, working in a broad spectrum of fields, from humanitarian aid, to human rights promotion, to environmental protection.
- *Community-based organizations (CBOs)*—are the mass of the CSO iceberg under the NGO tip. CBOs are typically membership organizations whose constituency—both activists and beneficiaries—resides within a recognizable geographic entity, such as a neighbourhood, a village or a district. They include neighbourhood

associations, women's clubs, parent-teacher associations, micro-credit circles and community kitchens.

- *Advocacy NGOs*—do not usually have individual members. More often they are professionally staffed, or they second staff from like-minded entities wishing to expand their voice through a collective effort. Their constituents may be geographically spread across neighbourhoods, districts, regions or international boundaries. They provide services such as research and training, information gathering and dissemination, and advocacy.
- *Interest group associations*—include professional associations, producer and consumer co-operatives, and trade unions. The most important distinction between trade unions and NGOs is that trade unions consist of dues-paying members who can hold the organization to account, while NGOs are usually answerable, formally, only to themselves.

Source: UNRISD 2000e.

together thousands of civil society groups to discuss the negative effects of globalization and advance alternative solutions. The social movements associated with debt relief, trade, the Tobin tax, anti-corruption, fair trade and the “solidarity economy” offer concrete alternative policies in their areas of concern. New UNRISD research is examining the potential and limitations of these movements.

NGO access to key global institutions is highly uneven. The more powerful an institution is, the less likely it will open its doors to CSO participation; and the less “social” an institution’s mandate, the less likely it will welcome participation. CSOs have thus found it difficult, for example, to influence the operations of the IMF and the World Trade Organization (UNRISD 2000c). In addition, the ability of CSOs to act cohesively is being strained to some extent as they become increasingly differentiated, and as certain tensions arise between Northern and Southern NGOs.

Improving state capacity

Policy making, equitable development and democratization require effective states. However, many states have experienced massive crises of capacity since the 1980s. Revenues have been unable to cover expenditure needs; public sector employment and wages have declined; and in some countries state contraction has been made worse by conflicts.

UNRISD research on state capacity has focused on two sets of issues. The first concerns the institutional and social effects of market-based incentives in reforming the public sector. It has looked at issues of downsizing, privatization, decentralized management, contracting-out of services, pay and employment reform, and decentralized government. Such reforms seek to create a flexible labour market in the public sector and facilitate closer co-operation between policy makers and citizens in the delivery of services. The second examines diversity, inequality, representation and cohesion in the constitution and management of the public sector. Work is under way in 13 developing and transition countries, as well as in three multiethnic Western democracies (see box 5.4).

With regard to the first set of issues, the research has found that countries experimenting with decentralized management tend to be reluctant to devolve budgetary controls to newly created agencies. This is partly due to problems of financial accountability at lower ends of the bureaucracy, and partly because of the stringent expenditure controls adopted under adjustment. Performance contracting and outsourcing of public services have also faced various institutional problems, including pervasive patronage arrangements, lack of autonomy of staff responsible for setting targets, weak capacity to manage new suppliers of public services, poor commitment to contracts, and resistance from public sector employees who fear losing their jobs and competencies. In general,

Box 5.4—Ethnic structure, inequality and governance of the public sector

Scholars of development studies increasingly recognize that inequalities among groups constitute a more potent source of violent conflict than inequalities among individuals. Efficiency and good governance—the core themes of state reform—may be difficult goals to achieve if the public sector is conflict ridden, if elites are dissatisfied with the rules that determine selection to state institutions, or if they hold or express fears about exclusion. This UNRISD project examines issues of diversity, representation and cohesion in the constitution and management of the public sector.

Research is currently under way in Bosnia, Botswana, Fiji, Ghana, India, Kenya, Latvia, Lithuania, Malaysia, Nigeria, Papua New Guinea, Tanzania, and Trinidad and Tobago, as well as in Belgium, Spain and Switzerland. These countries have been grouped into five clusters, determined by their degree of ethnic diversity or homogeneity.

The research is organized in two parts. The first involves primary data collection and analysis of ethnic cleavages,

inequalities and balance in four main institutions: civil service, party system, cabinet and parliament. The second area of work deals with institutions for managing diversity, inequality and competition. Institutions range from electoral rules to governance arrangements for power sharing, decentralization, federalism and protection of minority rights. Policies that seek to correct disproportionality are also examined.

Researchers adopt a historical perspective in seeking answers to the following questions: How effective are existing institutions in managing cleavages and inequalities? Do these institutions promote majoritarian or consensual outcomes? Are minority ethnic groups necessarily excluded under majoritarian institutions? If institutions seek to promote majoritarian outcomes, do they also contain safeguards that can yield consensual outcomes? What alternatives can be suggested on the basis of evidence derived from the study of ethnic cleavages, inequalities and electoral behaviour?

Source: www.unrisd.org

the research stresses the need for extreme caution in introducing new public management systems in poor countries where existing systems of public administration are not fully developed (Larbi 1999; Bangura 2000).

The size and cost of the central civil service has declined in all regions of the world, particularly in sub-Saharan Africa. UNRISD research suggests that it is unhelpful to aim for a standard or “correct” size for the public service. Rather, attainment of the right state size depends on the functions of the state in specific countries, and the economic, social and political contexts in which the state operates. Even though there is evidence that inferior pay is associated with problems of corruption and low morale, low-income countries face two serious problems in reforming the pay structure of the civil service. Even where wage increases have occurred, they have been insufficient to meet basic living costs; and the increases that have occurred seem to have been at the expense of other vital budget expenditures (McCourt 2000; Therkildsen 2001).

Decentralization reforms have also produced ambiguous outcomes. There have been two main arguments for decentralized government. The first focuses on public sector efficiency: an optimal level of service provision is likely to be attained if power is devolved to local authorities, which are closer to the people and, therefore, likely to respond better to their preferences. The

second argument treats decentralization as a mechanism for conflict regulation, especially in multiethnic societies. If ethnic groups are geographically separated from each other, granting local autonomy to groups may lessen competition for central resources and power. Studies on democratization also advance the view that decentralization, which disperses power, can act as a check on authoritarian rule.

The two arguments for decentralization, though interconnected, sometimes lead to different dynamics and local governments. For instance, if the goal of decentralization is efficiency in service delivery, the optimal size and boundaries of local governments may not correspond to preferred political boundaries. This is because optimality must take into account issues of economies of scale for services such as electricity generation and water supply, and externalities produced by local government authorities for activities such as road construction and taxes. The optimal size of a local government under such conditions may well be larger than one that may be created as a response to ethnic conflict or democratization (Smoke 2001).

UNRISD work on these issues shows the difficulty of generalizing about the links between decentralization, governance, fiscal capacity and service delivery. There are serious data problems, especially for low-income countries, and differences between unitary and federal governments in the devolution

of decision-making and tax powers. If not properly managed, decentralization may lead to the capture of local government by elites, discrimination against migrants and women, and unequal development as the rich migrate to low-tax jurisdictions. Technical and professional management skills may also vary considerably across local and national governments.

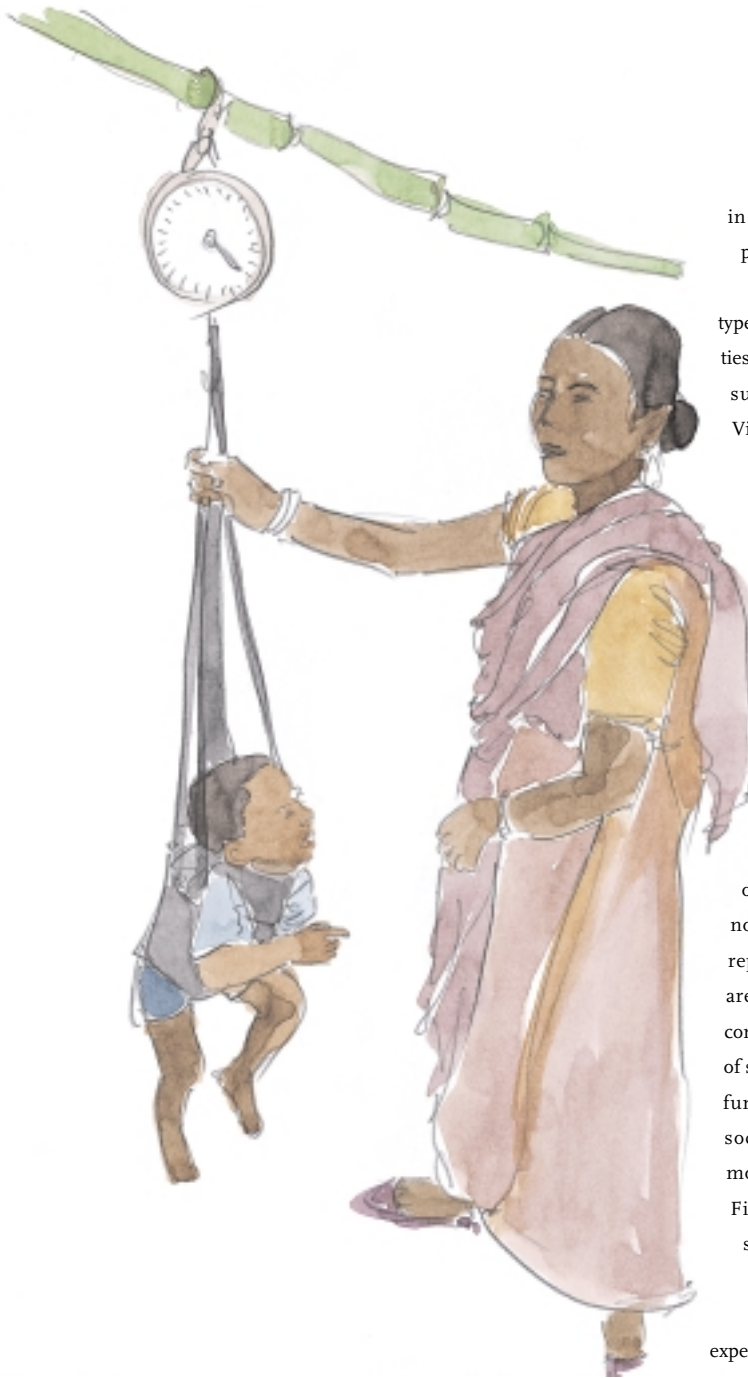
NGOs and service delivery

Non-governmental organizations have emerged as influential actors at international and national levels, and their roles in development processes are commonly acknowledged. As far as the international development community is concerned, NGOs can be important partners in tackling service delivery problems. Indeed, their *raison d'être* is frequently perceived as their role in providing services that the state is not supplying. Thanks to their size, flexibility and participatory approach, some consider NGOs to be more efficient in service delivery than the state. In some cases, a shift from state provision to contracting-out of services to private companies or voluntary organizations has helped to increase the profile of NGOs. In others, NGOs have simply sought to fill the vacuum following a substantial decline in the capacity of the state as a major service provider. As donor agencies have redirected more of their funding toward NGOs, the latter have come to see themselves as primary agents for development, acting

in support of grassroots or community development and mediating the links between donors and local communities.

However, there are great variations in the types of relationships that exist between donor agencies, governments and NGOs, and the kind and scale of services provided by different groups. In some countries, such as India and most in Latin America, the state has retained its position as the main provider of social services, with NGOs fulfilling an important but subordinate role. In many African countries, self-provisioning and out-of-pocket expenditures have risen sharply, and NGOs constitute key providers in certain sectors. In extreme cases—complex political emergencies and conflict, as in Afghanistan, Burundi, Rwanda, Somalia and southern Sudan—these organizations, and especially the international NGOs, frequently become the principal providers of food and of social services, such as health care.

At a time when much of the international development community was hailing the virtues of NGOs and channelling increasing amounts of aid through them, UNRISD began to examine their capacity to provide services in developing and transition societies, and the social impacts thereof. Clearly, many of these organizations have been able to reach communities and groups neglected by state services, and there are numerous examples of NGOs providing improved services in collaboration with government and donor agencies. Research



in the Philippines and Zimbabwe, for example, highlighted not only the positive role that some NGOs have played, but also the types of capacities, and relations with communities and policy making, that are conducive to successful interventions (Severino 1998; Vivian and Maseko 1994).

This and other UNRISD research also identified various constraints and contradictions associated with NGO interventions, and cautioned against romanticizing their contribution to social and sustainable development (Ghai 1994; Fowler 2000; Utting 2000b). NGO interventions may have limited coverage, variable quality, weak co-ordination and poor cost-effectiveness (Clayton et al. 2000). They often rely on poorly paid staff (with little or no access to social protection and/or union representation) and unpaid volunteers who are predominantly women. There are also concerns that the selective institutionalization of social movements into NGOs competing for funding has induced the demobilization of social movements, including women's movements (Foweraker 2001; Schild 2002). Fieldwork in Zimbabwe revealed that the strengths of many NGOs in the field of rural development were restricted to fairly specific aspects, such as innovation and experimentation on a relatively small scale. Thus

their role as promoters of alternative approaches to development should not be overstated. Donor expectations of NGOs are often excessive. While many NGOs are attempting to overcome their limitations, they are often inhibited by their reliance on donors for funding, and by donor priorities and approaches (Fowler 2000).

The capacity of NGOs to advance the social development agenda through service delivery depends to a large extent on local dynamics, and the extent to which donor agencies and the state are willing to collaborate with them. Rather than seeing NGOs as an alternative to the state, their role as effective agents of development often depends on strong public institutions. They are sometimes able to deliver services to communities and groups hitherto neglected by state services. Project design and implementation can also benefit from their attention to participation, innovation, local needs and social relations. But there is no systematic evidence to suggest that NGOs perform better than state agencies in delivering services (see box 5.5)—and in no case should these organizations be regarded as a substitute for basic universal services. In assessing the effectiveness of NGOs, it is crucial to take into account their impact on critical aspects of politics and the extent to which they facilitate a process of social transformation that benefits the vast majority of citizens.

Box 5.5—How good are NGOs as service providers?

The following conclusions have emerged from UNRISD and other work on the impact of NGOs.

Reaching the poorest—Most NGO projects do reach the poor, though not necessarily the poorest. There is still little evidence, however, that NGOs are intrinsically better at reaching the poor than are state services.

Poverty reduction—NGO projects in health, education and water supply alleviate poverty in the communities where they operate, but generally they do not significantly reduce it.

Coverage—The scale of operations is limited and the coverage patchy. Moreover, NGOs are often not very good at co-ordinating with each other or with the state.

Quality—There is little evidence that NGOs provide better-quality services than the state. What seems to matter more is which of the two has more money.

Technical capacity—NGOs perform better in sectors and subsectors where they have built up expertise—as in delivering local-level services. They have considerable capacity for innovation, experimentation and flexible adaptation of projects to suit local needs and conditions. They are less successful at more complex interventions such as integrated rural development.

Cost-effectiveness—There is little evidence that NGOs are inherently more cost-effective than the state. Small projects may be more efficient than larger ones, regardless of who is running them. One comparative study in India, for example, found that the costs of NGO and state health services were broadly similar.

Policy direction—One of the major concerns about relying on NGOs for service provision is that they cannot provide a broader framework for action. Only a government can develop clear policy and regulation in fields like health and education.

Source: UNRISD 2000e.