

ISTR RePORT

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Third ISTR Asia and Pacific Regional Conference: A Review of the Papers

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INTRODUCTION

The third ISTR Asia and Pacific Regional Conference was held in Beijing on 24-26 October 2003. In all, fifty-nine papers were presented in English, authored by seventy-two people in seventeen countries (and regions). In addition, there were eleven papers from Mainland China¹ with around 100 participants. The two and a half-day conference had twenty-four paper sessions (with four concurrent sessions) and three plenary sessions. Three paper sessions and two plenary sessions were in Chinese with simultaneous translation² (for a copy of the abstracts visit: <http://www.asianphilanthropy.org/ndev/index.cfm>). Professionalism and Accountability in the Third Sector was the major theme of the Conference, and governance and accountability (10) and third sector legal environment (8) were dealt with by many papers. Public, private and the third sector relationship (12), community, social organisations and development (10), and volunteering (4) were also of much interest among the authors. This report deals mainly with these topics. It, however, starts with definitional issues.

DEFINITIONAL ISSUES

Irrespective of its local nomenclature, in the recent times, the third sector has been growing rapidly in many countries, even in China. During the preparation for the UN Conference on Women, the term 'NGO' was popularised in China.³ These NGOs are "issue-oriented social groups, rather than interest groups or pressure groups."⁴

Shaoguang Wang, in a very interesting and revealing plenary paper at the Conference, maps the associational revolution in China estimating the existence of more than eight

million registered, non-registered, national and grassroots third sector organisations (TSO) of different kinds (see Table 1). The paper shows that the Ministry of Civil Affairs divides Chinese associations into five large categories: academic associations (*xueshu*), trade associations (*hangye*), professional associations (*zhuanye*), federations (*lianhe*), and foundations (*jijinhui*). In addition to the social organisations and private nonprofit units, there are many associations that are not required to register with the MCA including the local chapters of the eight categories of 'mass organisations' and of 25 'social organisations' (e.g., the China Writers Association or the All-China Journalism Association). Moreover, grassroots associations below the county level, especially those operating within enterprises, government agencies, schools, urban neighborhoods, rural townships and villages, etc., do not have to register with the MCA either. Wang argues that China, with its many facets of TSOs, is not divorced from associational revolution witnessed in the recent world.

Table 1: The Total Estimated Number of Associations in China

Category	Number
Social Organizations	180,000.00
Private Nonprofit Units	350,000.00
Eight Mass Organizations	5,378,424.00
Other Quasi-government Associations	1,338,220.00
Grassroots Groups	758,700.00
Total	8,005,344.00

¹ These were not reviewed, but allowed to present to demonstrate the types of third sector research being undertaken in China.

² This report is based on the papers that were received from the authors. The papers that are part of ongoing research and are not available for quotation are not included in the discussion.

³ An unpublished manuscript by Quisha Ma, 2004. The 2008 Olympics bid for Beijing gave these organisations more importance. Two major ‘genuine’ popular organisations or NGOs, Global Village of Beijing and Friends of Nature, were coopted to the official Olympics bid committee (Xiumei Zhao, 2001).

⁴ X. Zhao, ‘Can Olympics Speed the Development of Civil Society in China? A Case Study of Unofficial Social Organisations in Beijing’s Green Olympic Bid.’ A paper presented at the Second ISTR Asia and Pacific Regional Conference, Osaka, 26-28 October 2001.

The term ‘civil society,’ *shimin-shakai* (literally ‘citizen society’), is well known in Japan, but is conceived differently from the mainstream Western notion of civil society. ‘Civil society,’ in Japan, in a broad sense, is ‘the sphere intermediate between family and state in which social actors pursue neither profit within the market nor power within the state.’ For example, the well-known “Mié Prefecture Partnership Declaration,” prepared jointly by the residents and the local government in 1998, refers to *shimin-shakai* as a citizen-centered, open society, which embraces the citizenry, the NPOs, the public sector as well as the business sector (Takayoshi Amenomori).

Those who consider that the term *shimin* carries too much political baggage propose to use *shibiru-sosaeti* instead—a word transliterated from civil society¹ (Yamamoto, 1999). However, this is not yet a common term in Japan. ‘NPO’ is closer to the Western notion of civil society than *shimin-shakai*, but it lacks the notion of public sphere (Takayoshi Amenomori). Irrespective of the term used in countries as different as China or Japan, the third sector, in the recent past, has been growing, being supported, among others, by the respective legal system.

LEGAL ENVIRONMENT INFLUENCING THE THIRD SECTOR

The government in China enacted the ‘Regulations for Registration and Administration of Social Organisations’ in 1989 (revised in 1998) with the main purpose of encouraging and keeping track of ‘non-state’ activities. There are also

the Regulating Ways on the Management of Foundations (1988), and the Interim Provision for the Administration of Foreign Chambers of Commerce in China (1989). In 1999, the Donations Law was enacted (Ma, 2004). In June 2004, ‘Regulations for the Management of Foundations of China’ (2004) came into effect. In addition, there are around fifty more decrees, circulars, and regulations in China influencing the formation and functioning of the third sector organisations (for more see APPIN, 2001). The government, even in China, has been evidently trying to catch-up with and influence the third sector.

There was a panel to examine the legal environment influencing third sector governance in five Asian countries (India, Indonesia, Philippines, Thailand, and Vietnam). The panel was based on ongoing comparative research on third sector governance (‘Asia’s Third Sector: Governance for Accountability and Performance’) being undertaken in six Asian countries (China, and the above five countries) initiated and coordinated by the Asian Third Sector Research Unit, University of Technology, Sydney.

All papers in the panel highlight the major laws and regulations influencing the third sector in the participating countries. The papers show that in India, Indonesia, and the Philippines TSOs can function without any registration with the respective governments. But the TSOs need to register with the governments if they want some governmental supports, e.g., government funds, tax exemption, tax benefits, etc. In Thailand, however, TSOs can function only if registered with the government organisations. There are many legal instruments and organisations regulating different types of third sector organisations in Thailand. Two most influential instruments are the Civil and Community Code (regulating the foundations) and the Civil and Commercial Code of 1925 (amended in 1992; dealing with associations i.e., “a group established to perform nonprofit, communal activities” beneficial to the community it serves). In order to function, the associations and foundations are to follow a two-prong registration system: a permit from the National Cultural Commission (NCC) and then registration with the Ministry of Interior (for the foundations), and with the National Police Office Bureau (for associations) (K. Anukansai and A. Boonrad). The Commercial and Association Act 1966 governs all trade associations and requires a trade association to register with the Ministry of Trade. Associations falling under the jurisdiction of the Cremation Welfare Act of 1974 need to register with the Ministry of Labor and Social Welfare. Similarly, labor unions, under the Labor Relations Act 1975, must register with the Ministry of Labor and Social Welfare. Lastly, all political parties, which are

governed by the Political Parties Act 1999, are to register with the Election Commission. So not only the purpose-formed government offices, the law enforcing agencies in Thailand are directly involved in regulating the associations and foundations.²

Highlighting such a restrictive third sector legal environment in Thailand, Kanokkan Anukansai and Arpapat Boonrod, in their paper, reveal evidences of politicisation of TSOs in Thailand. The highly centralised political system in Thailand legitimises the control of TSOs' activities. But then the elite's philanthropic organisations are automatically accepted and legitimised. The problem is compounded due to the double standards and discriminatory practices of the State Agencies (K. Anukansai and A. Boonrod).

The situation in the Philippines is different and encouraging. No law forces TSOs in the Philippines to register, and the TSOs continue to have this freedom of choice. Further, the registration and accreditation procedures and requirements are simple (Ledivina V. Carino).

As seen in Thailand, laws and regulations in Indonesia are also not formulated for the TSOs as a whole, instead are activity-based. As a result, many TSO laws and regulations in Indonesia are overlapping. For example, an association and a mass organisation, are both member-based, but regulated by different laws. Associations in Indonesia are loosely regulated entities and are under the jurisdiction of Civil Law.³ Mass organisations, known as "embryonic political parties," deal in the political arena, and become political parties (Nindita and Fadjr). Mass Organisations (also known as social organisations) are regulated by Law No. 8 of 1985, and need to register with the Department of Home Affairs (for organisations located in the capital city) or with the governor's office (for provincial cities) or with the regency government officer (in regency area). Thus the ministry and the local administration have the authority to monitor the activities of the mass organisations. The problem is that the Law No. 8 gives the Minister of the Interior powers over social welfare organisations, which the Ministry interprets to cover all civil society organisations (Leon E. Irish). Thus the ambiguity in the law creates problems for the TSO.

The Chinese government has a more stringent supervisory control over the social organisations. No social organisation in China can register with the Ministry of Civil Affairs (MOCA) without the approval of the respective professional supervisory agency (mother-in-law).⁴ These mothers-in-law help the government control NGOs politically and legally. It is not unusual for a third sector organisation to register as a for-profit entity because of their failure in finding a "mother-in-law."⁵

One of the major problems related to legal environment regulating the TSOs in China is that it is based on executive documents, which do not have approval from the People's Congress. Further, many rules governing the NGOs are based on the high officials' speeches or unpublished documents that NGOs may not be aware of. Some experts on Chinese law have pointed out that expecting the NGOs to follow regulations that are not legally coded or explicit or well known is an unlawful practice (Su, Ge, Zhang, and Gao, 1999, 43). If the government suddenly decides to act against the NGOs, the NGOs may not have any redress. The governments in countries like China or Indonesia nurture vagueness in laws and the procedure to have the upper hand on the TSOs, if need be.

The last paper in the panel was from Vietnam. Vietnam's Constitution (issued in 1946 and revised in 1959, 1980, and 1992, and 2000) guarantees rights to form associations. The Constitution states that: "the Vietnam Fatherland Front and its member organisations constitute the political base of people's power⁶ (Article 7). The State is to create favorable conditions for an effective functioning of the Fatherland Front and its component mass organisations." The Constitution also provides a principal basis for the development of the civil society organisations that are established by citizens and independent from the government (Article 69). From the government side, in theory, TSOs are under management and supervision of the government, and should register under some umbrella organizations (state bodies). Those umbrella organizations are required by the government to be in charge of management and supervision of TSOs under their coverage. Thus the TSOs in Vietnam are more closely monitored, than their Chinese counterpart, by the respective government agencies.⁷

Regulation and Monitoring

It is worth noting that, in addition to the responsibility of many government organisations mentioned above, a committee, formed by the Ministry of Interior, in Thailand, oversees the operation of associations and foundations throughout the country to ensure that "those organizations comply with laws and regulations." In addition, the Civil and Commercial Code (Articles 104-110) authorizes the Office of Police Intelligence to oversee the work of the TSOs in the Bangkok Metropolitan area, and the Department of Local Administration (Ministry of Interior) to oversee the work of those outside Bangkok (Kanokkan Anukansai and Arpapat Boonrod). So the organisations active in Bangkok, having access to larger resources and networks, are under close scrutiny of the police intelligence. But the authors opine that the overseeing bodies are very lenient until an organisation is found to be "breaking the law or are a danger

to good morals, public order, and state security” (Kanokkan Anukansai and Arapat Boonrod).

The Chinese government has a different approach to monitoring the TSO activities. It requires all NGOs (private nonprofit units or non-government non-commercial enterprises) with three or more CCP members to establish party branches to supervise the organisation’s political behavior.⁸ The official documents, relevant to the regulation are explicit.

The Indonesian government, like many others in Asia, is more interested in monitoring the activities of the TSOs than offering benefits to the TSOs by providing them a legal entity. The factor is evident from the fact that the Law No. 21 (2000) requires the labor unions to register with the Department of Labor without offering any legal entity. The main purpose of this action is notification to the government about the domicile of the labor union.

While some countries, like the Philippines, are taking reform measures on their own to appreciate and engage the third sector activities in program and service delivery, thereby keeping an eye on their activities, some other countries are being influenced to act by external forces. For example, the government of Indonesia, being pressured by the IMF as a condition of the new loan guarantee, enacted the *Yayasan* (Foundation) Law to “provide adequately for the accountability and transparency of the *yayasans*”⁹ (Leon E. Irish). But the problem is, in Indonesia, almost 90% of the self-reliant organisations (LSM) are foundations. Many of the LSMs now see the provisions of the *Yayasan* Law as “too much interference towards the internal organisation of foundation,” and are in the process of re-registering as ‘associations’ or looking for different legal entities¹⁰ (Nindita and Fadjr). So to be effective, the laws need to be practical and encouraging the ‘good’ while still restricting the bad practices.

Mark Lyon’s paper deals with similar issues on a broader perspective and with legal environment’s influence on the third sector in individual countries. A country’s laws, regulations and their administration can both help and hinder the growth and sustainability of the third sector. Governments, with the help of the legislative frame, related to the incorporation, taxation, fundraising and service standards and their administration, can assist the third sector by recognising the distinct character of the third sector, facilitating its good governance, and encouraging public support. The legislative frame should also consider sustainability issues by regularly updating the laws and regulations to suit contemporary theory and principle. Mark Lyons further opines that even a well functioning and supportive legal environment is of little value if the wider policy environment is hostile, or

indifferent to the third sector.

If a government can establish a congenial relationship with the TSOs, appreciating the latter’s contribution as complimenting to the government’s efforts, stringent governmental measures can be seen in high spirit and not as adversarial. Thus Ledivina Carino suggests, in her paper, referring to the new laws and regulations created by the Philippines government, that “the long list of criteria for organisations collaborating with the government made by NEDA, and the similarly long list of qualifications drawn up for board members would have been regarded as too restrictive were it not for the largely positive atmosphere in which the GO-NGO interaction occurs” (Ledivina V. Carino).

While Indonesia seems to be restricting the activities of the TSOs, the Philippines since 1987 has been NGO¹¹-friendly. In the Philippines, the government is purposively supporting the growth of the TSOs creating ‘space’ for these organisations to operate and cooperate with the government organisations, through legislation like the Local Government Act 1991.¹² Due to their participation in local bodies, “civil society leaders acquire new skills and confidence in policy negotiations”. The process breaks down the traditional patronage linkages¹³ and “opens more spaces for civil society to participate in policy reform and governance.”¹⁴ Thus government’s policy and legal environment influence third sector growth and functioning.

A major characteristic of a congenial legal environment is a TSO-friendly tax law encouraging activities and resource mobilisation. Among the five countries under discussion above, TSOs only in the Philippines enjoy a number of tax exemptions that shows the government as its source of support and ally. These exemptions may be seen as an index of the value of the sector to government and society, and compensation for services the TSOs render for their members, government and the society at-large which otherwise would have been paid for by the State (Ledivina V. Carino).

The tax exemption system in the Philippines, according to Carino, manifests social justice, the government and societal priorities, and encouragement of civil society because the law provides differential benefits to various organisations. For example, while tax exemption is offered to younger or poorer organisations, full taxes are payable by richer cooperatives. “Facetiously, one might also say the third sector is government’s exercise of faith” (Ledivina V. Carino).

A remarkable development in many nascent democracies has been the TSO’s judicial activism to force fill in the legal gap in the functioning of the TSO or defining their relationships with the beneficiaries, the government, etc. For example, during the last quarter century, TSOs in India have

made tremendous contribution in these spheres to bridge the gap between constitutional aspiration and social reality. Judicial activism emerging in this period has been harnessed by the civil society quite substantially towards these objectives. As a corollary, some responsibilities have also been imposed upon civil society groups (Ishwara Bhatt).

Citing many examples of public interest litigation cases, initiated by many CSOs in India, Bhatt shows that these cases have ensured the protection of due process rights, right to food, health, environment, education, and in protecting women, children, workers and indigenous people. Bhatt concludes that the courts, however, do not entertain PILs based on connivance and ulterior evil motives of the litigants. The genuineness of the litigant is ascertained and insisted by the court at the threshold of the court proceedings or afterwards.¹⁵ This ensures that the TSOs or other litigants are not in a position to abuse the judicial process. These PIL cases are influencing third sector legal environment in general. In the absence of a congenial legal environment and supportive government, the third sector itself has been involved in 'boundary expansion' and self-defining its role in service delivery, advocacy, and safeguarding civil rights and constitutional integrity, with the help of the judiciary.

PUBLIC, PRIVATE AND THIRD SECTOR RELATIONSHIPS

Due to their respective backgrounds, the voluntary sector relates to the governments in each country in different ways. The constitutional framework, political activity, economic orientation, and the level of economic growth in each country further dominate this relationship.

Eliza W.Y. Lee opines that a study of Asian state-nonprofit sector relationship must analyse the "social institutions that are rooted in diverse Asian traditions; state-society relations that have shaped the formation of NPOs; state-economy relations that have shaped the welfare regime and thus the nonprofit regime." For example, state-society relations have historically played an important role in nonprofit development in Hong Kong SAR. The corporatist nonprofit regime is part of a residual welfare regime, which is in turn related to a public financial framework historically constructed by the state-business governing coalition (Eliza W.Y. Lee). During the post-colonial period, which corresponds to the formation of the Peoples Republic of China, the government in Hong Kong, in order not to send a welcoming signal to the fleeing population of the Mainland, did not do much for social welfare. The government, however, provided indirect support to the local and overseas voluntary organisations involved in offering social services to the people.¹⁶ Eliza W.Y. Lee, analys-

ing the state-voluntary organisation relationship during the period, contends that, until the 1960s, Western nonprofit organisations operated by professionals were planted in Hong Kong in a large scale through international humanitarian aids, whereas indigenous civil associations, being subjected to the administrative intervention of the colonial state, had limited space for growth (Eliza W.Y. Lee). The government offered funding to the indigenous voluntary organisations to ensure professionalization, standardisation and homogenisation, but it created limited space for the NPO personnel to engage in advocacy work and influence public policy (Eliza W.Y. Lee).

The paper by Meredith Weiss also supports this contention by Lee. The British attempts to moderate and control Chinese secret societies¹⁷ and the fear of communist agitation are the sources of primary laws governing the voluntary sector in Malaysia and Singapore (Meredith L. Weiss). Even though some key Chinese and Indian organizations (including even secret societies) did transform into political parties in the run-up to the independence, Chinese and Indians still are less likely than Malays to rely upon the government to meet their communities' needs, and more likely to expect the community to be forced to protect itself (Meredith L. Weiss).

"The state seeks to control NGOs in the interests of national security because NGOs are seen as lobbying and pressure groups which do not have to be accountable to the 'public trust,' whereas elected politicians are at least legitimised in periodic elections" (Tan and Bishan 1994: 14 in Meredith L. Weiss). Weiss concludes that "it is the state's (and importantly, the *colonial* state's) means of maintaining order and consciously organizing economic society to preclude certain sorts of problematic political identities from developing (i.e., ensuring racial rather than class-based stratification) that largely determines the shape and nature of voluntary sector organizations" (Meredith L. Weiss).

The contention stands valid for other colonial societies. For example, in south Asia the Societies Registration Act was implemented in 1860.¹⁸ The primary purpose of this colonial Act was to keep vigilance and control over the myriad of societies and associations formed during the political and cultural awareness-raising era following the successful *sepoy* (soldier) mutiny in 1857 against the colonial abuse and oppression. The promulgation of the Act, however, cannot undermine the fact that many organised people and their organizations were involved in different non-political activities during the colonial period.

The governments in most Asian countries, in the recent past, have been undertaking new measures to regulate the

third sector activities, and the relationship between the third sector and the public and private sectors. The new Foundation Law in Indonesia; the modified registration law, and new regulation for foundations in China; recent strategy of the Japanese government to provide funds to the nonprofit organisations; efforts in Bangladesh and India to monitor receipt and use of foreign funds¹⁹ are good examples.

Government-third sector relationship is manifested in governmental funds to the TSOs. But government funds may accompany stringent control mechanisms to ensure better service and accountability of the funds but potentially destroy entrepreneurship, innovation, drive, and dynamism in the nonprofit sector. In India, a large percentage of funds for the organisations involved in social service delivery comes from the government. As a result, in India the voluntary sector is hardly involved in major social and/or political issues or in influencing public policies.

Governments use funds to regulate third sector organisations in different ways. In Japan the post-war constitution intended to change the fundamental rules of the game²⁰ allowing nonprofit organisations their financial freedom.²¹ These institutions, suddenly being asked to be independent and run as private nonprofit organisations, faced financial troubles. The recent governments have taken this opportunity to ensure control over the private organisations. Successive governments in Japan have approached the third sector with funds to achieve this objective by re-interpreting the relevant constitutional provision. In the recent past the government has started to provide money to private organisations if the governmental control can be ensured.²²

In a very interesting and revealing paper, Masayuki Deguchi and Fumiyo Higeta Layman highlight the Japanese government's efforts in making funds available to the nonprofit organisations involved in the arts and culture. They observe that the "free artists are often key actors in civil society. Dictators such as Hitler and Stalin controlled artists at their discretion. Subsidy to the arts and culture are sometimes controversial and cause issues of censorship. On the other hand, artists seek grants for their art. In this respect, tax deduction for the arts is very important for civil society" (Masayuki Deguchi and Fumiyo Higeta Layman).

The paper highlights the Japanese government's innovative tax system, different from the general system, for nonprofit organisations involved in arts and culture. Business entities and individuals, usually, cannot enjoy tax deductions for their donation to NPOs in arts and culture. The donors, however, can enjoy tax deductions, if they donate to the KMK (Kigyō Mecenat Kyōgikai or the Association for Cultural Support of the Arts)²³. The KMK, in their bi-monthly

committee composed of art critics, decides each donation and grants money to the arts and culture's nonprofits. The government gives KMK this special authority. The KMK, a private nonprofit organisation with money mainly from membership receives no fees through this system (Masayuki Deguchi and Fumiyo Higeta Layman). This system, among other things, allows the government to undertake and implement measures to standardise as well as monitor the TSOs dealing with arts and culture.

As seen above, a congenial and complimentary relationship between the government and the third sector can make things happen for all three parties' (public, private, and the nonprofit) benefits. The extent of benefit depends on the strength of the relationship. Kyungrae Park and Sangsu Kim conclude in their paper that the stronger the NGO–Police partnership is, the higher the benefit of partnership. The government and the TSOs should secure their own identity to keep the partnership performance high, and cooperate with each other. For example, for the protection of human rights it is important for NGOs to guarantee the procedural rights of migrant workers, but it is also important for the police to investigate cases well to secure the substantive rights of migrant workers (Kyungrae Park and Sangsu Kim).

In some other cases, for example, in Taiwan, it is revealed that the third sector and government organisations behave cooperatively during emergencies. During the process of providing disaster relief following the September 21 earthquake, TSO members in Central Taiwan were willing to shoulder their share of the responsibility and therefore areas of responsibility were designated in order to form teams to engage in the work of helping victims of the earthquake (Li-Wen Liu).

In many resource poor countries, the governments are increasingly becoming open to the idea of sharing the 'turf' because it saves the governments resources and responsibility. In Nepal, the *Local Self Government Act 1999* clearly states that the people will be involved in the mobilisation and judicious utilisation of resources to ensure maximum beneficiary service from the local development efforts (Govind P. Dhakal). This Act helps fulfil the constitutional obligation of allowing the functioning of TSOs through which the people get opportunities for their physical and mental development (Govind P. Dhakal). Despite all the positive aspects of TSO involvement in development, on occasion there have been organisations where misappropriation of properties is rampant, management is bureaucratic, and resources are shrinking (due to the drying up of donor funds and a failure in local resource mobilisation). As a result, despite the clarity in the policy documents, the government machinery is still sceptical about

the TSO's capability of becoming a reliable partner sharing developmental responsibility (Govind P. Dhakal).

Teknath Dhakal, however, contends that sharing of financial resources through NGOs in Nepal has increased during the last decade. In 1995/6, the total amount channelled through NGOs was NRs 508 million; the amount more than doubled to NR1347 million in 2000. The increase, Dhakal believes, is a result of the government's weak capability in service delivery and donors' insistence of NGO involvement in development activities. Notwithstanding the fact, there are certain sustainability issues that, according to Teknath Dhakal, are yet to be addressed. For example, there is a lack of legal redress for the local government bodies to deal with the NGO's failure to work under/with village development councils (VDC) or district development councils (DDC) or municipalities or the NGO's use of funds for missionary and intelligence work, and related negative impacts (Teknath Dhakal). Thus a piecemeal approach of dealing with the TSOs, in countries like Nepal, is a hindrance to the use of the TSO's full potential.

In a society with fledgling democracy or newly (re)gained rights to organise and 'voice,' people in the Philippines are in a better situation than in Nepal because of the government's sincere commitments and actions to involve the TSOs in development. A key product of the democratisation process in the Philippines is the increased participation of the TSO in governance. The reopening of democratic space provides the rationale for the TSOs to be involved in the government rather than pursue a politics of contention (Francisco A. Magno). Studies reveal that through the participation in the local planning process, under the Local Government Act 1991, in the Philippines, TSO leaders acquire new skills and confidence in policy negotiations and development administration. Thus Francisco A. Magno, in his paper, contends that TSO involvement in local governance has given voluntary groups a greater voice in decision-making, and made them an important stakeholder in redesigning the practice of local governance (Francisco A. Magno).

In fact, as found by Smita Mishra Panda, decentralisation and good governance is best achieved when it meets a vibrant civil society and NGOs. Her evidence from Kerala, India shows that the civil society/NGOs have the scope and potential to play a positive role in facilitating the participation of women and contribute to their empowerment in Kerala. The relationship may become more effective if the local governments can provide space and legitimacy to the TSOs for their operation and expansion (Smita Mishra Panda).

In the recent past, not only the TSOs, but also for-profit organisations in many societies are becoming direct partners

in local development. The study by M.S. Moodithaya reveals that companies participate in philanthropy either directly or in collaboration with the NGOs, government agencies or other private organizations. His field data revealed that Karnataka (a province in India) has a very strong corporate-NGO partnership aiming at effective implementation of the social development programs. The NGO-corporate partnership works in both ways. It helps companies both in image building and ensuring the effective utilisation of their spending on philanthropy. It was found that since the NGOs work at the grassroots level and mostly on professional lines, their ability to work on social issues is much better than the corporations themselves. In the light of the fact that most companies have very little time and expertise to work on projects of social development, partnering with NGOs help business entities practicing strategic philanthropy (M.S. Moodithaya).

The TSO's relationships with governments and the for-profit sector are influenced by the overseas funds available to the TSO. The amount of available funds, due to the TSO's apparent effectiveness and subsequent favor from the donors, has been growing in the recent past influencing the above relationships. Even in India, foreign contribution to NGOs in 2001 increased to Rs. 45 billion (US\$ 1 billion), registering a 15.56% growth over the previous year (Swapan Garain). This is, however, a significant increase from the foreign fund receipt (excluding the contributions of bilateral and multi-lateral aid agencies) in 1994-95 (Rs.19 billion) or of Rs.26 billion in 1996-97 (Sripathi Kalluraya). The larger the overseas funds, the higher the likelihood that the TSOs will feel confident in engaging activities not liked by the government (at the risk of jeopardising its relationship with the government). Most importantly, however, recent research on third sector government in many countries suggest that the donor-density adversely impact on TSO governance.²⁴

GOVERNANCE AND ACCOUNTABILITY

In the recent past, there has been some development, in many Asian countries, towards 'NGO sector self-regulation' and making the 'board' accountable for TSO activities. The attention to accountability of the TSOs in turn draws attention to the fiduciary role of boards, because it is coming to be recognised that third sector organisations with good governance will be able to attract increased funds and achieve long-term sustainability. Research on TSO governance, in the recent past, has started to grow slowly.

A panel reported the major findings of key informant surveys on third sector governance undertaken in three Asian countries (China, Philippines, and Thailand), as a part of a comparative research work on Asia's third sector governance,

mentioned earlier. To put things in perspective, a paper from Australia, by Jenny Onyx, was also included in the panel.

Jenny Onyx maintaining that an organisation is only “good” to the extent that it contributes to civil society relates the discussion of third sector governance to social capital formation. Smaller organisations are in a much better position to create and use social capital than the larger ones. Large bureaucratically structured organisations have minimal decision making input from the members or client/customers. Large bureaucracies hinder the creation of social capital, as do those that maintain any sort of vertical coercive sanctions. This is so because vertical structures generate dependent relations that discourage reciprocity and mutuality, in which choice is absent, and trust depends on the good will of the powerful (Jenny Onyx). Relating her analysis of third sector governance and three related models—corporate, traditional, and participatory—to social capital, Onyx argues that the particular importance for the development of social capital is the participatory model. The participatory model of third sector governance involves some form of participatory democracy involving the people or members of the organisation, and thus helps create social capital (Jenny Onyx).

Xin Qi, in his paper from China, shows that the respondents identified three factors that influence TSO governance: relations with the government, legal environment, and internal structure of the organisations. The preponderance of the interviewees in China in identifying political change to be essential for impacting the third sector’s development suggests the interfering nature of politics. Currently, most social organizations are dependent on the government, and have a governance pattern influenced by the government. Priority in China, according to the respondents, is not to promote governance for the third sector, but to create a friendly legal environment for the third sector. Fifty percent of the respondents thought it should be the leader’s or CEO’s responsibility. Twenty percent of the key informants in China think that the government should have the responsibility in ensuring that TSOs are well governed.

In the Philippines, many key informants argue that “Filipino culture and tradition make it often difficult to make a distinction between governance and management apparently referring to the values and norms of “*hiya*” (being embarrassed or saving face), “*tayo-tayo*” (we are family), and “*pakikisama*” (smooth interpersonal relations) that generally govern Filipino relationships and make formal, organizational interactions more complex. In any event, the respondents consider ‘board’ to be an important or even the only structure for ensuring governance in the TSOs.

Key informants in the Philippines, among other things,

mentioned that “the general situation in which the TSOs operate” is the most important factor affecting its governance. For example, the “effects of the ENRON scandal spilled over to the sector where there is now greater importance for accountability and transparency” than in the past. The sector itself is seen as having affects on governance. There is “peer pressure from organizations that operate in the same domain, e.g., social development.” Alliances and networks “define standards” of performance and operation, e.g., ethical behavior. Initiatives to improve governance include “efforts to produce a Code of Conduct that is owned rather than imposed on members.” While the third sector itself is “trying to encourage accountability,” a noteworthy revelation from the study, however, is that grant-making institutions, in general, do not even check if there is a board, rather it considers the track record of the organisation (Ma Oliva Domingo).

Irrespective of the donors’ interests, there are strict legal requirements in many countries to ensure ‘board’-based governance. In Indonesia, for example, Foundation Law and Cooperative Law regulate the governance of the TSO. The other laws for TSOs only regulate general matters, such as the procedures for incorporation and registration, organisation function, and sources of fund. The governance of foundations and cooperatives prevail in terms of board composition, function, and responsibilities; and the procedure for transparency and accountability as well (Nindita and Fadjr).

Some important issues are revealed by the study in the participating countries. Evidences are abundant that non-uniformity of laws creates problems for TSO governance. If the governments becomes strict in implementing aspects of one sets of law, the TSOs deregister and move around association law, foundation law, or company law. Further, if the donor agenda is served, the donors may take a softer approach in terms of activity and monitoring of fund use in the recipient NGOs. Also ‘donor density’ influences governance. If a government funding agency or a donor insists that the recipient TSO must have a good system of accountability and governance through a board, evidence shows that the TSOs move to other funding agencies that accept a flexible accountability mechanism and not insistent of board’s existence and performance. So unless the system of accountability and governance is standardised by the funding agencies, demands from one or two funding agencies may not bring about much change. The lack of accountability in the governments, particularly in the local government bodies, is also a hindrance to achieving a good system of governance in the TSOs. There are evidences that the local government bodies do not want the NGOs to have good governance or outperform the local government bodies, so the local govern-

ments try to create restrictive measures.

Some other papers in the Conference dealt with third sector governance and accountability. Swapan Garain, in his paper, argues that local funds bring in more transparency and accountability, and in certain cases more desirable outcome than overseas funds. For example, local funds are critical for NGOs working with sensitive issues like rehabilitation of the riot victims as it is less likely to be accused of being the 'foreign hand' (Swapan Garain). But accountability, in general, is a problem for NGOs in India. The Council for the Advancement of People's Action and Rural Technology (CAPART) has blacklisted about 400 NGOs while the Central Social and Welfare Board (CSWB) has blacklisted 3,000 NGOs (Swapan Garain) for having problems with accountability issues. Investigations by the Central Bureau of Investigation of India found that many NGOs misuse funds and some recipient NGOs do not even exist beyond papers. One major problem of governance in many TSOs in India is the secrecy surrounding the TSO activities and funding regimes (Swapan Garain). There have been some efforts in rectifying the situation. For example, VANI (a NGO network) has recently adopted a Cod of Conduct for NGOs²⁵ (Swapan Garain).

Board's role in TSO governance is a new and weak phenomenon in many countries. In Cambodia, for example, while the donors, increasingly, see 'boards' as a mechanism of accountability, it is a source of confusion and concern for many NGOs. Findings from a study in Cambodia confirm that the fundamental issue of governance and accountability is not at all clear to TSOs in Cambodia, and NGOs with effective governing boards are a rarity (Thomas Hladik). The study by Thomas Hladik and his team identifies the best practices in NGO management in Cambodia and offers a model for governance, and board structure and functioning. The problem, however, is a system not rooted in or considering the cultural aspects and traditional values may not be implemented effectively to achieve the desired goals.

Satoko Mori, in his paper, travelling beyond national boundaries and single organisation perspective, deals with international environmental governance. Mori finds it vital to ensure the engagement of NGOs in any new institutional framework because NGOs enhance the policy-making function of global environmental governance by increasing its transparency and accountability (Satoko Mori). He, however, suggests three policy prerequisites for the arrangements necessary to ensure meaningful participation of NGOs. First, it is necessary to clarify the extent of NGO inputs to be incorporated into the main decision-making process and the ways the multi-stakeholder contribution is to feed into

the main negotiation processes. Second, the existence of civil society organisations representing the common, and the business must be appreciated, and the criteria for involvement of NGOs should be clarified. Third, it is desirable for the NGO community to select their own representatives through NGO networks rather than by government control (Satoko Mori). Thus the main argument of the paper seems to be that good governance in the third sector, and for that matter in a nation, can be achieved through mutually respectful and supportive partnerships, and not by coercion or cooptation.

The more the TSOs get involved in the national and international arena, the more there will be demands for a system to evaluate their efficiency and effectiveness in fulfilling missions. Most nonprofits, including those in Japan, do not have any internal evaluation system, mainly because, it is difficult to measure results about activities of nonprofits quantitatively. Considering the above facts, Eiko Ibuki and Naoto Yamauchi reported on a method based on a balanced scorecard (BSC) approach, to evaluate nonprofits analysing the effectiveness and problems of BSC as an evaluation technique of nonprofits (Eiko Ibuki and Naoto Yamauchi). If proved effective, this approach may enormously help TSO boards in fulfilling their responsibilities.

In most Asian countries, formation of a board in incorporated TSOs is a legal requirement. Nonetheless, the TSOs do not take it seriously because of a slack implementation of the law. In most cases, a governing board in TSOs is either non-existent or non-effective. Smillie and Hailey found out in their research that in most parts of south Asia, especially in the accidental NGOs, board members or trustees "were mostly friends and acquaintances whose primary function was to encourage the founders and offer what little assistance they could"²⁶ (Smillie and Hailey, 2001). Board's existence is essentially for rubber stamping the CEO's decisions.²⁷ Asian TSOs needs to wake up to sustain in times of political uncertainty and shrinking funding regime.

COMMUNITY, SOCIAL CAPITAL, ENVIRONMENT AND DEVELOPMENT

In the absence of the governmental efforts on capability building, many local organisations in low-income countries have been involved in creating and improving capacity for the general people to enhance their access to and use of resources and fulfil developmental needs. These organisations, in general, constitute social capital and facilitate the "achievement of goals that could not be achieved in the absence or could be achieved only at a higher cost,"²⁸ and becomes non-monetary sources of power and influence achieving economic benefits²⁹ because social capital consists of networks and norms that

enable participants to act together effectively to achieve a certain objective.³⁰ Researchers' growing interests in social capital and community development is manifested in the ten papers presented at the Conference.

Leonard and Onyx, in their paper, examine how bridging and bonding might differ in terms of Onyx and Bullen's³¹ five elements of social capital: networks, trust, reciprocity, norms and social agency. The paper suggests that loose and strong ties are not synonymous with bridging and bonding, and that bridging frequently occurs through a series of strong ties or a trusted professional.³² Working on four different models for a society, with differing relationships between bridging and bonding, Leonard and Onyx conclude that well-bonded groups per se are not problematic. They find out that there cannot be any necessary conflict between loyalty to one's immediate group and loyalty to the wider society. Further, there is no need to posit 'generalised trust' to hold a society together. Among the four models they examined, Model 2, a larger society of people who are loosely connected (no well-bonded groups but many loose ties), appears to be the favoured model of those who see bonding social capital as only serving local interests at the expense of the wider society (Rosemary Leonard and Jenny Onyx).

Ratana Tosakul-Boonmathya, however, comes to a different conclusion from her study of social capital in Thailand. She discusses the way in which social capital has contributed to the capacity building of traditional and modern local organisations in rural Thai society. In Thai society, the penetration of capitalism into rural economies, the centralisation of the administrative and bureaucratic system, and other Country Reform schemes at the turn of the 19th century have contributed to the weakening of traditional elite power and institutions. However, the main attributes of social capital have not entirely disappeared, rather have instead adjusted to suit the contemporary contexts. Sources of social capital are rooted in the structures of human relations, comprising both bonding and bridging capitals. Bridging social capital is seen in network ties of villagers in Thailand. A major argument of the paper is that since social capital is not a value-free concept, it needs to be considered accordingly. Its social processes can also generate both positive and negative consequences on the capacity building of local organisations depending on the context. It is possible that social disparity and exclusion would be generated out of the very same social processes of social capital depending on the context. Those who do not share common interests, beliefs or ethnic identities tend to be excluded from a particular circle of a network and thus disadvantaged.

Ruiko Takeda and Naoko Tabuchi also examine bond-

ing within the group. In the paper, they look at 'quasi community'—a combination of voluntary will of the citizens and supports from the government. A 'quasi community' encompasses loosely bonded voluntary groups as well as nonprofit organisations of a large-scale operation with paid employees. The NPOs in a 'quasi community' is based on and facilitates voluntarism. The authors suggest that to be effective, the government, NPOs and users should participate in determining the future course of community welfare services. Secondly, management of the organization needs to be reviewed to arrive at a new approach that enables the organization to rationally provide services based on voluntarism (Ruiko Takeda and Naoko Tabuchi). Quasi community seems to hold potential for community regeneration, resource pulling, and taking responsibility.

Yuko Nishide and Naoto Yamauchi present findings from the first comprehensive survey designed to measure social capital, with a focus on civic activities, in Japan. Major survey findings are that people who participate in collective activities (voluntary activities, community activities, or sports and recreation) seem to have a higher level of trust in community and society, a broader network in communities, and a higher satisfaction in life than those who do not participate. Those with higher level of trust and associations with neighbours and colleagues tend to be more willing to participate in civic activities. The study attests that each component of social capital and voluntary and nonprofit activities have a positive correlation, (ii) social capital may be fostered through voluntary and civic activities, and (iii) civic participation may be promoted with the accumulation of social capital. The survey results suggest that social capital is fostered and is expected to produce social outcomes through the promotion of voluntary, nonprofit and civic activities (Yuko Nishide and Naoto Yamauchi). Most remarkable findings of the paper are that some aspects of social capital such as trust and associations with neighbors and relatives have declined over the 20 years, while others such as trust and associations with colleagues at work have either remained the same or increased (Yuko Nishide and Naoto Yamauchi). The authors did not analyse the meaning of this. Does it mean people in Japan have become more professional and practical or less social and self-serving?

Not only the creation of community organisations, there have been social and infrastructure development projects in many parts of the world, supported by 100% community funds. The Link to Philippine Development (LinKaPil) program run by the Commission on Filipinos Overseas (CFO) in the last twelve years has received over PhP 1.2 billion (US\$30m app.) from overseas Filipinos to

underwrite projects in education, disaster relief, health, infrastructure, and livelihood generation (Jeremaiah M. Opiniano). Migrants' transnational philanthropy, paying back their own community, is the "missing civil society" for their country of origin. This "missing middle class" in the migrants is now becoming a social and political force, helping fix the problems their homelands face—the push factors for their overseas migration (Jeremaiah M. Opiniano). The challenge is maximising benefits of this fund by ensuring that it does not become disposable income for luxury for the recipients, rather an essential source of survival for the recipient individuals and the community and/or sustaining a community relationship.

In any event, however, the third sector, irrespective of the availability of transnational philanthropy, has been a key factor for socio-economic development, especially for rural people in both the developing and emerging economies. Co-operatives, for example, have an important role to play in socio-economic development programs by promoting agriculture and allied activities, as well as rural development in a number of ways. The study by Manjappa D. Hosamane and M.R. Vinay conclude that 'Anand Model' of third sector, a model producers' cooperative, has improved the socio-economic conditions of rural people. It has multiple linkages in development of agriculture, income, health and sanitation conditions, nutrition, and education level in rural India. The study suggests that both society and the government defined roles essential for rapid development of rural area and people's participation in the developmental process to help eradicate poverty and establish a real democratic system of governance (Manjappa D. Hosamane and M.R. Vinay). All have been possible because of mutual interests and participation from the members, and the government's support in infrastructure and management development.

PHILANTHROPY

Voluntary cooperation in many Asian societies has been centred on creating public good. For example, even in early Maghadan period in south Asia (around 1000BC), the village peasants were a generally contended lot, and "both men and women had the civic spirit to work for the common good," may be in the construction of reservoirs, the laying out of irrigation canals, etc. (Majumdar, et al., 1967: 76). This system of individual volunteering has been continuing in the area for hundreds of years.

Research on volunteering in Asia is still scanty, mainly because of the problems related to a definition of volunteering. An interesting panel session based on empirical research in the Philippines attempted to fill some of these gaps. The

panel session, 'Beyond Households: Giving, Receiving and Volunteering in the Philippines,' was to report the findings on giving and volunteering undertaken in six provinces in the Philippines.

Alfredo A. Ducanes bases his analysis on the social-exchange theory—human interactions are transactions that aim to maximize one's rewards and minimize one's costs, based on the concept of social economics—which means that people not only exchange material goods and money but also social goods such as love, services, information, status, etc. The theory based on social norms, on the other hand, presumes that we help others not because we have consciously calculated that such behaviour is in our self-interest but simply because something tells us we ought to (Myers 1999: 481) (Alfredo A. Ducanes).

The social norms theory prescribes proper behaviour and is further explained by two sets of norms—the reciprocity norm (an expectation that people will help those who help them) and the social responsibility norm (an expectation that people will help those dependent upon them) (Alfredo A. Ducanes). The third theory on altruism is based on the belief that the essence of life is gene survival, i.e., the concept of kin protection (altruism towards one's close relatives to enhance the survival of mutually shared genes) (Alfredo A. Ducanes). All these could be true for different societies as well as the study area where volunteerism is seen differently and expressed in different terms.

Two interesting studies undertaken by Marieta B. Sumagaysay (in Southern Leyte) and Fely P. David and Margen Java (in Ilonggos in the southern Philippines) reveal that giving and volunteering has many dimensions and related terms. Marieta B. Sumagaysay identifies at least sixteen different terms referring to giving and volunteering in different circumstances and purposes. Different terms and aspects of giving and volunteering identified in these two papers can be categorised under material, emotional, spiritual, and belongingness. Giving tangible resources, or offering intangible prayer, advice, wishes for material benefit, in the study area, are referred to '*tabang/tambulig*.'

Emotional giving and volunteering are expressed in '*Kalooy*' (to show kindness and support to others in every possible way) or '*Hatag sa kaugalingon*' literally means giving ones self. '*Gugma*' (love offering), is manifested in the form of money, or a farm produce (or time, if either of the two is not available) offered at the Holy Mass in the Roman Catholic Church refers to giving and volunteering for spiritual fulfilment. '*Patilaw*' is to donate money, throw a party, or give away excess farm produce in the spirit of gratitude to God for experiencing success, and this fortune must be shared

with others. Certain forms and terms related to giving and volunteering refer to belongingness and are manifested in terms like *'Pagsimilingan'* (giving to show neighborliness or a feeling of belongingness) or *'Paki-angay'* (showing "being one" with others) (Marieta B. Sumagaysay).

Fely P. David and Margen Java opine that giving is not simply an act of the hand but also of "the heart." That is why there are Ilonggos terms like *'paghatag balin sa tagipuso-on'* (giving from the bottom of the heart), or *'may pagbigugma nga paghatag'* (giving with love). Those who give and/or volunteer derive personal satisfaction because they find themselves useful to others and they can contribute to the improvement of the condition of other people. Giving and volunteering in the southern Philippines are thus seen clearly as social responsibility rather than reciprocity (Fely P. David and Margen Java). In any event, however, if the terms used in the southern Philippines are used in other societies to define and map philanthropy, we may end up getting a picture different from what is known.

CONCLUDING REMARKS

Many Asian governments have been providing tacit support in the expansion of philanthropy and the third sector, and also in improving the latter's capabilities for strategic benefits. An expansion of the third sector means lessening of 'pressure' on the government exchequer and also the diversion of a large number of conscious and liberal young graduates from getting involved in political agitation due to unemployment related frustration. In any event, however, growth and functioning of third sector organisations and its contribution to development depends on the stage of political infrastructure of the country concerned (cf. Davis and McGregor, 2000). There are vibrant and numerous TSOs in south Asian countries but, due to a weak political infrastructure, their roles in development in these countries have been minimal.

In the recent past, following the end of the cold war, since many countries have been entering the 'third wave' to install democratic governments, the roles and importance of third sector organisations have been changing. The role and importance of advocacy organisations have been on the decline, while that of service delivery organisations is on the rise. The TSOs' relationships to donor nations and/or organisations and national governments seem to be changing, as a result. The governments are becoming more interested in monitoring TSOs and their activities, while the donors' coffers have been drying up. The limited available funds are creating leverage for the foreign donors as well as national governments for developing stringent rules for fund disburse-

ment thereby encouraging competition among the TSOs to perform to raise funds and receive donations. Governments also have been introducing new regulatory regimes.

This trend is reflected in the papers presented in the Beijing Conference. More than half of the papers dealt with the third sector's relationship with government and private organisations (12), governance and accountability in the third sector (10), and the third sector legal environment (8). In contrast to the papers in Osaka Conference (2001), with fifteen papers dealing with philanthropy, the papers in the Beijing Conference showed signs of maturity and the importance of critical analysis of the sector and its external dynamics, and of researching the governance and sustainability issues.

NOTES

¹ These were not reviewed, but allowed to present to demonstrate the types of third sector research being undertaken in China.

² This report is based on the papers that were received from authors. The papers that are part of ongoing research and are not available for quotation are not included in the discussion.

³ An unpublished manuscript by Quisha Ma, 2004. The 2008 Olympics bid for Beijing gave these organisations more importance. Two major 'genuine' popular organisations or NGOs, Global Village of Beijing and Friends of Nature, were coopted to the official Olympics bid committee (Xiumei Zhao, 2001).

⁴ X. Zhao, 'Can Olympics Speed the Development of Civil Society in China? A Case Study of Unofficial Social Organisations in Beijing's Green Olympic Bid.' A paper presented at the Second ISTR Asia and Pacific Regional Conference, Osaka, 26-28 October 2001.

⁵ T. Yamamoto, 'Emergence of Japan's Civil Society and Its Future Challenges', in T. Yamamoto, ed. *Deciding the Public Good: Governance and Civil Society in Japan*, Japan Centre for International Exchange, Tokyo, 1999.

⁶ Certain organisations, like the ones dealing with services such as health care, childcare, etc., however, do not require any special license. The organisations that are engaged in development and environmental protection are also free to perform any activity that is not against the law and does not affect good morals or state security (Kanokkan Anukansai and Arapat Boonrod).

⁷ Particularly book three, chapter 9, article 1653. Before the existence of Civil Law it was regulated by the State Gazette (Stb) 1939 No.570 yo.717.

⁸ Usually a governmental institution, referred to by the third sector leaders as "mothers-in-law," because of these

agencies' involvement in the oversight of the TSO's day-to-day activities.

⁹ For more see Quisha Ma, 'Classification, Regulation, and Managerial Structure: A Preliminary Enquiry on NGO Governance in China,' in S.Hasan and M.Lyons, eds. *Asia's Third Sector: Proliferation, Performance, and Governance*, Nova Science, NY, 2004.

¹⁰ The Vietnam Fatherland Front (VFLF), founded in 1955 by initiation of the Communist Party of Vietnam, is a broad alliance and voluntary federation of socio-political organisations representing the various social classes and strata, ethnic groups and religions. The goal of the VFLF is to unite all third sector organisations for socio-economic development of the country. For more see www.asianphilanthropy.org.

¹¹ For more information on the third sector in Vietnam, the readers may like to visit: www.asianphilanthropy.org.

¹² On Feb. 26, 1998, the CCP Central Bureau and the MOCA issued a joint document regarding this.

¹³ A foundation (*yayasan*), with separate assets and objectives in the "social, religious, and humanitarian fields," may be formed by one or more people (Leon E. Irish). The Foundation (Yayasan) Law 2000 was formulated to stop the previous practice of transferring funds from large corporations to foundations for personal use (Nindita and Fadjr).

¹⁴ There is also a new legal entity—an educational legal entity (Nindita and Fadjr) different from regular foundations. This legal entity is a nonprofit organisation ruled by the Law of National Education System no.20, 2003, enacted in 11 June, 2003 (Nindita and Fadjr).

¹⁵ In the Philippines, the National Economic and Development Authority (NEDA) uses NGO to refer to private, nonprofit voluntary organisations committed to the task of socio-economic development and established primarily for service. So cooperatives are considered as NGOs (Ledivina V. Carino).

¹⁶ The Local Government Act 1991 in the Philippines mandated inclusion of the third sector organisations in every local government bodies.

¹⁷ Even the local government officials started to see "civil society groups not as potential competitors for voters but as legitimate partners in governance" see Magno, 2001- note 18.

¹⁸ F.Magno, 'Engagements in Governance: Civil Society in the Philippines.' A paper presented at the Second ISTR Asia and Pacific Regional Conference, Osaka, 26-28 October 2001.

¹⁹ The Indian Supreme Court rejected a petition motivated by enmity and intention to blackmail an industry, and observed that the judiciary "must protect the society from the

so called protectors." Once a PIL is filed, the litigant, without the permission of the Court, cannot withdraw it.

²⁰ For more see, www.asianphilanthropy.org (the Hong Kong SAR segment) the website of the Asia Pacific Philanthropy Information Network (APPIN), 2000.

²¹ As of 1888, eleven secret societies in Singapore were reported to have 62,376 members, while Penang had five secret societies with 92,581 members (Hicks 1996:91); remnants of these societies persist even today (see Meredith Weiss).

²² In south Asia voluntarism has been culturally sanctioned since the ancient times, and is a part of the cultural heritage of its peoples. As a result, even in colonial days voluntary and charitable organisations in the area received recognition as early as in 1860, through the Societies Registration Act, 1860.

²³ For example, Foreign Contribution (Regulation) Act, 1976 of India, Foreign Donations (Voluntary Activities) Regulation Ordinance, 1978 and the Foreign Contributions (Regulation) Ordinance, 1982 of Bangladesh.

²⁴ In the past in Japan, 'private' organisations relied heavily on the government for funding and managing their 'public interest' activities in education and health sectors, and were not independent.

²⁵ The Japanese Constitution, Article 89, prohibited government organisations from giving public money to private, charitable, educational, philanthropic, or religious organisations and congregations.

²⁶ For more see, www.asianphilanthropy.org (the Japan segment) the website of the Asia Pacific Philanthropy Information Network (APPIN), 2000.

²⁷ The donors can nominate a particular organisation for the donation and enjoy tax deduction.

²⁸ Based on the preliminary findings of a comparative research on 'Asia's Third Sector: Governance for Accountability and Performance' being undertaken in China, India, Indonesia, Philippines, Thailand, and Vietnam initiated and coordinated by the author of this report.

²⁹ In order to promote a discussion on a standard set of norms for the voluntary sector in India, VANI published, in English and Hindi, and circulated across the country the international standard for NGOs, initiated and adopted by Commonwealth Foundation in Wellington in New Zealand. Many Voluntary Organizations across the globe adopted this document. The process was initiated for its members in 1995, and was adopted after three years of debate/discussions. The code is titled: Voluntary Development Organizations, The Guiding Principles.

³⁰ I. Smillie, and J. Hailey (2001). *Managing for Change:*

Leadership, Strategy, and Management in Asian NGOs (London: Earthscan).

³¹ In many instances chief executives of many TSO exchange board membership for each other.

³² J.S. Coleman, *Foundations of Social Theory*, Cambridge, Mass: Harvard University Press, 1990.

³³ A. Portes, 'Social Capital: Its Origins and Applications in Modern Sociology.' *Annual Review of Sociology* 24 (1):1-24, 1998.

³⁴ R. Putnam with R. Leonardi, and R. Nanetti, *Making Democracy Work: Civic Tradition in Modern Italy*, Princeton: Princeton University Press, 1993.

³⁵ J. Onyx, J and P. Bullen, 'Measuring Social Capital in Five Communities.' *Journal of Applied Behavioral Science*, 36: 23-42 ,2000.

³⁶ R. Leonard and J. Onyx, 'Networking through loose and strong ties: An Australian qualitative study.' *Voluntas* 14(2) 191-205, 2003.

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