

Keynote Speech

**THE ROLE OF NGOS IN THE CONTEXT OF
“FROM GOVERNMENT TO GOVERNANCE”**

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I start my keynote speech on "Government to Governance" with two very basic questions in order to clarify what are the points of argument here.

The first question is, "In a given society, do we consider tax as a sole resource for social service provision?"

The second question is, "Again in a given society, do we consider the minimum level of social services given, or is already agreed upon?"

If the answers to the two questions are yes, then "Government to Governance" is such a simple issue. Government makes use of NGOs as its agents and contracts out delivery of services. Government may do so because it is cost effective, or end users can enjoy better services for various reasons.

But if the answers are "Yes, but . . . " or somewhat otherwise, then we may be looking at a total different picture in front of us. Suppose, for instance, although we consider tax as a sole resource for service provision, it is not necessarily collected in the form of tax by the government once and then redistributed to the people by the government hands. Instead, government gives preferential tax treatment, or tax break, to various NGOs active in the field of public service provision, and in so doing it encourages more NGOs to evolve and become vibrant. And, as a result, the level of public service provision, both in quality and in quantity, is expected to become higher.

Having said that, let me proceed to today' subject matter of "Government to Governance", which refers to a transformation from traditional nation state government to network of various actors with conflicting interests in that sense, then, it is almost synonymous with contemporary buzz word "Civil Society", which refers to "the complete range of nongovernmental organizations (NGOs) and to the interlocking network of procedures and institutions that allows the organizations to function and interrelate."

Here I am not simply enjoying rephrasing of words, but trying to zero in on the results of numerous preceding arguments in order not to reinvent wheels. As a matter of fact, nowadays you cannot attend a single international conference without hearing this word "Civil Society" just like you cannot walk one block without seeing somebody talking via mobile phone. Conference may be on development, environment, transitional economy,

international affairs, you name it and they may be held by the World Bank, bilateral agencies, international institutions, just anybody.

One problem we have here is almost everybody who argues about "Civil Society" takes it for granted that the creation of Civil Society, or the direction towards it, is something desirable. And, seldom cautious voices are heard on deficiency, or flaw, that is inherent in this model.

Civil Society model is based upon pluralism, which, according to Philippe Schmitter, is "a system of interest representation where the constituent units are organized into an unspecified number of multiple, voluntary, competitive, no hierarchically ordered and self-determined categories". In short, this model presupposes the existence of numerous self-appointed organizations. So long as these organizations deal only with private goods, that is all right. We all know that is what market economy is all about. But when these organizations try to, or start to, deal with public goods, or public interests, two serious problems come to surface.

The first is the problem of legitimacy, or you may call it a democratic defect as Jessica Mathews put it. She urges us to be aware of the process where "decisions that elected representatives once made shift to un-elected bodies". That is, if we find legitimacy of our democratic government in the process it is institutionalized, namely election, how we can find legitimacy in those formed without going through this process? Or, they can function and survive under strict regulation only? That is, hanging on the sleeve of government?

The second is the problem of economic efficiency. I am not talking about political efficiency here. Everybody knows democracy is not for efficiency. Instead I am referring to economic inefficiency in the sense that Civil Society organizations, or NGOs if you will, are not for the maximization of profit by definition. So they are less motivated to minimize costs. Then it is likely that they waste resources for their possible inefficient management. This problem does not stop here. According to an elementary textbook of economics, they do not stop production even after marginal cost equals to marginal income. Thus their best choice as producer of public goods is not necessarily the best choice for consumers.

These two problems with Civil Society model, or government to

governance, already pose serious questions to be answered. There appears to be one more substantial problem as we enter the era of internationalization. Let me elaborate a little further. In the arguments so far, they are within the framework of nation state. Nation state where people are protected by law from any damages incurred. But when it comes to an international society, there is no such protection. Suppose an influential international NGO successfully campaigned against, say, tuna fishing and, as a result, poor fishermen's life in a small South Pacific island, which has been totally dependent on it, was completely destroyed. They have no practical ways to ask compensation, nor even a mean to protest against someone's responsibility. We may call this as the third problem of accountability in an international society.

Legitimacy, economic efficiency, and international accountability. How can Civil Society model give answers to them? All of them are, as I said moments ago of very fundamental nature and I do not think I have time enough to elaborate in details. Instead, I am introducing my most favorite answer to each of them out of numerous arguments on these issues.

First, democratic legitimacy, or legitimacy of non-elected body. On this subject, there is a very stimulating argument by Masakazu Yamasaki. He argues, "there are three generic features in democracy which are inseparable with their inherent shortcomings. The first, representative system. The second, rule of majority. And the third, a tendency to emphasize short-term interests." "Representative system always has a danger to be transformed into monocracy. Consensus based on majority tends to consume long time. And long-term interests are always important. NPOs are invented by democracy itself to minimize these shortcomings."

Second, economic inefficiency. Yoshikazu Sakamoto argues, "Market economy is not necessarily combined with democracy based on equal human rights". And thus in many cases "marketization does not mean social and political democratization". So "civil society has to constrain, or control, market economy", or, "it does not have to live within the framework of market economy. In short, NGOs are to be recognized as a safeguard towards the brutality of *laissez faire* economy."

Third, international accountability. Although it may seem adequate and appropriate to apply various devices developed in the past to

increase NGOs' accountability within the framework of nation state, great care should be taken not to identify national NGOs with international NGOs too easily. Since false analogy of the two is not only inaccurate but also dangerous. Inaccurate since surrounding situation is totally different from national scene to international scene. Dangerous since there is no legal enforcement in an international society even when mishaps took place. One preferred way to increase accountability for international NGO is to make its own Code of Conduct public. This Code of Conduct is a list of self-imposed dos and don'ts. And in the absence of legal enforcement system, it is hoped that this Code of Conduct has a built-in process to guarantee a voice of objection to be heard and discussed.

I started my keynote with two fundamental questions, and then proceeded to Civil Society model, which, with all its flaws and deficiencies, is believed to pave the way from Government to Governance. By no means I imply this is the only model. There are, and can be, several other models about which comparative studies are yet to be made. Finally I stress the importance of further studies like the one we are having today, and end my presentation.