

Want to Improve Governance? Context Matters

by Louise Coventry

How indigenous actors adapt and respond to external demands for “good governance” points to the “possibility of emerging hybrid models of governance that draw on and integrate both local and international understandings of governance. Therein,” the author concludes, “may lie the future for nonprofit civil society governance.”

THAT CONTEXT MATTERS IS A TRUISM. Leading academics exploring issues of governance consistently argue that governance models need to be contextualized to ensure their relevance and applicability.¹ So, how exactly should context be taken into account when approaching issues of nonprofit civil society governance? Here, I offer one answer to the “how” question, drawing on personal experience of working on issues of civil society governance in the specific contexts of Cambodia, Myanmar, Laos, and Vietnam. Focusing on these contexts is not to say that the context question does not matter among various types of civil society groups in, for instance, the United States. It matters greatly—and, in fact, some of the worst failures of civil society governance might be found in the one-size-fits-all assumption with which many approach the development of governance structures.

Before addressing the “how” question, a preliminary question is, who is it that will take context into account? In acknowledgment of the imbalances of

power across the globe, it is important that Western and westernized actors such as donors, advisors, and the international partners of local civil society organizations make serious efforts to learn from those of the Global South. How do they navigate the challenges they face with resilience, creativity, and versatility in applying imported ideas, adapting them to their contexts, and, ultimately, determining satisfactory ways to govern their civil society organizations? The fact is, there is absolutely nothing that proves that Western funders have found the promised land of civil society governance, and there is much to be gained from setting aside preconceived ideas and looking intently for what really works for local people.

Dimensions of Context

At least seven different dimensions of context need to be considered when designing governance models and practices, although this is likely not an exhaustive list. Two of these dimensions are already familiar to many of us working in the field, where we are commonly exposed to debates about *sectoral*

and *organizational* contexts. Moving us into less familiar territory are the five contexts that follow—*cultural, political, legal, social, and historical*.

Sectoral Dimension

What I mean by the sectoral context is twofold. First, there is the extent to which insights from corporate governance (which underpins most governance theory) can be applied to civil society organizations.² Many of the assumptions that underpin corporate governance—and even agency theory itself, the foundation of corporate models of governance—do not apply to civil society organizations, where the organization’s “owner” is typically not able to be clearly identified. Second, different types of organizations—federations, self-help groups, cooperatives, membership organizations, and umbrella groups—tend to prefer slightly different models of governance. These distinctions and debates should already feel familiar, and discussion of such issues is more often hosted in Western circles than in Southeast Asian ones, so I won’t go into further detail here.

Organizational Dimension

Contingencies at the organizational level provide important contextual cues for consideration. Following Patricia Bradshaw, we can understand these contingencies to include organizational size and complexity, mission, life stage, and history—to name a few.³ This simply means that governance policy and practice will differ across organizations depending on their unique characteristics. There is no one size that fits all. A large and long-established international NGO, a professional association of, say, financial counselors or health professionals, and a small, newly created self-help group will each need to practice governance in a manner customized to its very different needs. But this issue is not specific to civil society in Southeast Asia and will not be discussed further here.

Cultural Dimension

Of obvious importance is the cultural context. There is increasing evidence that Asians think differently and follow different social norms and mental models than do Westerners.⁴ For example, Southeast Asian polities such as Cambodia, Laos, Vietnam, and Myanmar generally attribute higher value to the maintenance of social hierarchy, harmony, and collectivist ideals than do Western societies. These cultural differences make a mockery of the ideas of independence and conflicts of interest that are peddled by many Western donors. Picking up on these mismatched assumptions, the World Bank recently produced a new conceptual framework for international economic development, premised on an expanded understanding of human behavior and the acknowledgment of different mental models in different communities and societies.⁵

Political Dimension

Regularly, NGOs mirror national governance standards and practices. The

possibilities of local NGOs transcending the limits of national governance seem bleak. National governance practices, whether historical or contemporary, may be the only experience on which local NGOs can draw for inspiration. Across Southeast Asia, governance models based on patronage and, more contemporarily, neo-patrimonialism, are common. Vietnam offers a striking example of the importance of accounting for political context: there, civil society cannot be understood as separate from the state but rather is an extension of it.⁶ Jörg Wischermann found that, regarding internal decision-making processes, “most if not all Vietnamese Civic Organizations’ representatives’ bodies of thought and practices disclose patterns of authoritarian political thinking,” matching the mode of rulership adopted by the Communist Party of Vietnam.⁷

Legal Dimension

National governments set parameters on civil society governance through legal means, some of which may defy Western normative understandings of governance. As an example, we can see that the new law of associations and NGOs in Cambodia⁸ is not premised on agency theory—commonly, the Royal Government of Cambodia regards executive directors, rather than boards, as the rightful “owner” of an NGO. And the 2009 decree on associations in the People’s Democratic Republic of Laos, which established for the first time a legal environment for civil society, has proven difficult for NGOs to access in that registration typically takes several years. Strangely, some for-profit organizations have been able to register under the law for nonprofit associations with greater ease than NGOs. This underscores the importance of deep learning about the legal context for operation; it may not conform to your expectations.

Social Dimension

Here, the example of Myanmar springs to mind. Civil society activists in Myanmar survived the harsh regime of military rule of nearly fifty years by honing skills in discernment, giving high attention to issues of trust, and developing underground networks. These skills and resources, so critical to (literal) survival—let alone being functional—no longer appear to serve the interests of a growing civil society, which is increasingly encouraged toward greater transparency, collaboration, and partnerships. Perhaps, then, there is some “unlearning” to be completed in Myanmar, but it cannot be forced and will likely happen slowly.

Historical Dimension

Recently, when I asked young Vietnamese workshop participants, “What is governance?,” my question was met with another question: “Do you mean what we learned under French rule?” Clearly, the history of colonialism reverberates powerfully to this day, influencing what young people feel entitled to know about governance and what they believe to be legitimate. But history is a big topic, and the history of language is also of interest. When I explored the etymology of governance in Cambodia, I was fascinated to learn how the term for “governance” has shifted over the ages: from *reichkar* (royal work) to *rothcar* (state work) and back to *reichkar*, and then to *akpibalkech* (a technocratic version of governance), a term that is poorly understood—indeed, likely never heard of—outside of the capital, Phnom Penh. What is common across these terms is that *governance* is either an elitist term or someone else’s business, the work of others. Thus, when we talk about governance in the local language or with the help of interpreters, subtextually we may be reinforcing the message that governance is not the concern of everyday people. Quite

probably, that is the very opposite of the message we may wish to convey.

The Perils of Helicoptering Western Models into Non-Western Contexts

With the above seven different dimensions of context to take into account, we can conclude that it simply does not hold that models of governance used in large Western corporations and international NGOs can be assumed to be relevant to civil society organizations in developing contexts and with differing political regimes. Models from Western countries are helicoptered into non-Western development contexts at our collective peril.

In my work in Southeast Asia, I have observed three overlapping patterns in terms of how local NGOs respond to donor requirements to uphold certain (Western) governance standards: these are *to disregard*, *to comply*, and *to capture and co-opt*. Public and overt resistance is uncommon in Southeast Asian contexts, but it is the “hidden transcripts”—to channel James Scott—that need to be assessed.⁹

Disregard

Disregard is not usually willful but rather about mismatches in understanding. For example, an edict issued by an international donor for the mandatory adoption of conflict-of-interest policies by the donor’s partner organizations in Asia was met with genuine bewilderment. The idea of maintaining separateness in performing different roles is uniquely Western yet not always acknowledged to be so. I recall lengthy conversations with an indigenous women’s cooperative, which rotated their leadership on a periodic basis, in accordance with traditional practice, and explicitly valued fluid movement across different roles within and around the organization. They had received the donor’s edict, and I attempted to explain the

donor’s requirement and its underpinning assumptions. In a rare example of overt resistance, the women’s cooperative chose to argue their case with the donor that deliberately fusing the interests of—and transgressing boundaries between—staff, board members, and stakeholders was important to them; and in this context, managing conflicts of interest made no sense. In other, similar instances, the edict to develop a conflict-of-interest policy may simply be ignored. (This kind of mismatch of governance models may also apply to the United States and elsewhere—causing, for example, friction between feminist organizations and their funders.)

Compliance

Compliance—or at least attempted compliance—with donor requirements is common, which makes sense given the extent to which face saving and the maintenance of harmony is valued in Southeast Asian cultures. Compliance, however, is often more superficial than thorough. The very existence of a board (whether on paper or otherwise) serves an important symbolic function and, in itself, represents an act of compliance with donor requirements—withstanding the likely irregular nature of meetings and the board’s likely inability to wield meaningful power. It is often too difficult for organizations to marshal compelling arguments about why a board may not be meaningful in their context and offer a viable alternative. Thus, consistent with Patrick Renz’s analysis, NGOs adopt the prevailing norms and values of the prevailing institutions within their environment (here, the donor) in order to secure legitimacy.¹⁰ In identifying with societal (donor) expectations rather than having intrinsic motivations toward effective governance, boards are likely to take on a maintenance role and adopt a minimalist approach—although, let’s be clear, being

attentive to donor requirements is itself demanding.

Capture and Co-option

Co-option of donor requirements can lead to a hybrid form of governance that blends elements of patronage and corporate governance models. Such hybridity is also most common and, in effect, is a mirroring of the neo-patrimonial governance practices observable at the national governmental level in these very same country contexts, whereby patronage networks merge with legal-rational bureaucracy.¹¹ Usually lamented as dysfunctional, there are also functional ways to create hybridity. Capturing and co-opting corporate governance and blending it with patronage is a logical and constructive strategy that NGO leaders can and do use to navigate the complex duality of requirements facing NGOs in Southeast Asia. As an example, boards may appoint a meeting facilitator rather than a chairperson, thereby disrupting the hierarchical power relations typical of patronage. Alternatively, boards may draw relationships between organizational stakeholders and examine how these connect to the board members, and potentially also connect individual board members to a personal constituency or client base, thereby creating a functional form of patronage for organizational stakeholders who may otherwise be overlooked in governance and decision making.

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Returning to our opening question about how best to take context into account, we can now conclude that in Southeast Asian contexts, where systems of patronage are strong and longstanding, it is useful for international NGOs and donors to accord extra care to understanding the cultural, historical, sociopolitical, and legal dynamics at play, and then develop strategies for working with—and not against—existing



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systems and practices. In other words, the imperative is to understand and build on preexisting understandings of governance rather than attempt to negate or replace them. Ultimately, it is indigenous understandings of governance that create the context in which civil society governance practices succeed (or fail). If we pay close attention, we can learn a lot from how indigenous actors adapt and respond to demands for “good governance” that are imposed from outside. These actions and responses point to the possibility of emerging hybrid models of governance that draw on and integrate both local and international understandings of governance. Therein may lie the future for nonprofit civil society governance.

NOTES

1. See Chris Cornforth, “Nonprofit Governance Research: The need for innovative perspectives and approaches,” in Chris Cornforth and William A. Brown, eds., *Nonprofit Governance: Innovative Perspectives and Approaches* (New York: Routledge, 2014); Judy Freiwirth, “Community-Engagement Governance: Engaging stakeholders for community impact,” in Cornforth and Brown, *Nonprofit Governance*; and Francie Ostrower and Melissa M. Stone, “Moving Governance Research Forward: A Contingency-Based Framework and Data Application,” *Nonprofit and Voluntary Sector Quarterly* 39, no. 5 (October 2010): 901–24.
2. See Jurgen Willems et al., “A Coalition Perspective on Nonprofit Governance Quality: Analyzing Dimensions of Influence in an Exploratory Comparative Case Analysis,” *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations* (2016): 1–26, doi:10.1007/s11266-016-9683-6.
3. Patricia Bradshaw, “A contingency approach to nonprofit governance,” *Nonprofit Management & Leadership* 20, no. 1 (Fall 2009): 61–81.
4. See Richard E. Nisbett, *The Geography of Thought: How Asians and Westerners Think*

Differently . . . and Why (New York: Free Press, 2003); and The World Bank, *World Development Report 2015: Mind, Society and Behavior* (Washington, DC: World Bank, 2015).

5. The World Bank, *World Development Report 2015*.

6. See Irene Nørlund, “Civil Society in Vietnam: Social Organisations and Approaches to New Concepts,” *ASIEN* 105 (October 2007): 68–90.

7. Jörg Wischermann, “Civil Society Action and Governance in Vietnam: Selected Findings from an Empirical Survey,” *Journal of Current Southeast Asian Affairs* 29, no. 2 (2010): 39.

8. “Cambodia’s parliament approves NGO bill amid opposition boycott, protests,” *ShanghaiDaily.com*, July 13, 2015, www.shanghaidaily.com/article/article_xinhua.aspx?id=292298.

9. James C. Scott, *Domination and the Arts of Resistance: Hidden Transcripts* (New Haven, CT: Yale University Press, 1990).

10. Patrick S. Renz, *Project Governance: Implementing Corporate Governance and Business Ethics in Nonprofit Organizations* (Heidelberg: Physica-Verlag, 2007).

11. Pak Kimchoeun et al., *Accountability and Neo-patrimonialism in Cambodia: A critical literature review* (Phnom Penh: Cambodia Development Resource Institute, 2007).

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