



4th AGNA Asia Regional Meeting

Johannesburg, 14 November 2013

Meeting Report

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FOREWORD

The AGNA Asia Regional Group held its forth regional meeting for 2013, a joint meeting with Pacific Regional Group, at the CIVICUS House, Johannesburg, on November 14th, 2013. Representatives from Fiji; Mr. Mohammed Hassan Khan, Japan; Mr. Yoshiharu Shiraishi, New Zealand; Mr. David Henderson, Nigeria; Mr. Oluseyi Oyebisi, Pakistan; Mr. Ismail Mohammed, South Africa; Ms. Patricia Deniz – AGNA Coordinator, Tajikistan; Ms. Zuhra Hakimova and United Kingdom; Mr. Oli Henman participated.

The aim of the meeting was to exchange information about situation of social enterprise and CSR-philanthropic activities in Asian countries and discuss how national associations can support their activities, because public benefit activities initiated by profit sector are growing and they are playing an increasingly significant role in the civil society across the region in Asia.

This time, not only presentations done by attendees but also articles contributed by our AGNA partners are included in this report. We would like to take this opportunity to thank all of the contributors from China, Finland, India, Nepal and the Philippines to share the information and experiences regarding the theme as indicated above. We also would like to thank Patricia for arranging our meeting at CIVICUS house on November 14th.

For more information on the Asia regional group, please get in touch with Yoshiharu Shiraishi on shiraishi@kohokyo.or.jp.

We have prepared a meeting report to share information what presentation we made at the 4th Asia regional meeting held in Johannesburg last year. We appreciate very much the support from AGNA members and AGNA itself.

Yoshiharu Shiraishi

Research associate of the Japan Association of Charitable Organizations
Secretariat of AGNA Asia Regional Group

PROGRAMME

4th AGNA Asia Regional Meeting

14 November 2013: Johannesburg, South Africa

Place: CIVICUS House (24 Gwigwi Mrwebi Street, Newtown 2001)

9:40 Welcome remarks by Patricia Deniz (CIVICUS: World Alliance for Citizen Participation)

9:45 Presentations on a situation of social enterprise and CSR-philanthropic activities – country case

-09:45 Yoshiharu Shiraishi (The Japan Association of Charitable Organizations)

-10:00 Ismail Mohammed (Pakistan NGOs Forum)

-10:15 Oluseyi Oyebisi (Nigeria Network of NGO)

-10:30 Dave Henderson (ANGOA: New Zealand)

-10:45 Mohammed Hassan Khan (Fiji Council of Social Services)

-11:00 Zuhra Hakimova (NGO Jahon: Tajikistan)

-11:15 Oli Henman (National Council for Voluntary Organizations)

11:30 Q&A

11:45 Discussion "How national associations can support social enterprise and CSR-philanthropic activities"

12:25 Closing remarks & logistical announcement by Yoshiharu Shiraishi

Provision of articles

- Gopal Lamsal, NGO Federation of Nepal

- Harsh Jaitli, Voluntary Action Network India

- Huang Haoming, China Association for NGO Cooperation

- Lala Rimando, National Capital Region

(Provided by Sixto Donato C. Macasaet, CODE-NGO)

- Timo Lappalainen, KEPA-The Finish NGO Platform

CONTENTS

1. China	Observations & Measures on CSR Performance of Overseas Chinese Enterprises	----- 1
	1-1 Current Development of Overseas Chinese Enterprises	
	1-2 Corporate Social Responsibilities and Background for International Practices	
	1-3 Initial CSR Practices of Overseas Chinese Enterprises	
	1-4 Future Development Strategies for Overseas Chinese Enterprises	
2. Fiji	Social enterprise and philanthropy in Fiji	-----11
	2-1 Social enterprise	
	2-2 Corporate social responsibility	
3. Finland	Some examples of social responsibility	-----13
	3-1 The Ethical Bank 2.0	
	3-2 Social company	
	3-3 Societal companies	
4. India	Companies bill-2012 and its implications for civil society	-----15
5. Japan	A recent situation of social enterprise and CSR-philanthropic activities In Japan	----- 20
	5-1 Social enterprise in a wider context	
	5-2 Social enterprise in Japan	
	5-3 Examples of social enterprise	
	5-4 Current circumstances	
6. Nepal	Charitable social responsibility in Nepal	----- 25
7. Nigeria	Social enterprise in Nigeria	----- 30
8. Pakistan	Philanthropy in Pakistan	----- 32
	8-1 Limited knowledge	
	8-2 The concept of Muslim philanthropy	
	8-3 Perceptions about NGOs	
	8-4 Political parties foundations	
	8-5 Personal trusts and foundations	
	8-6 Immense opportunities	
	8-7 Need for infrastructure	
	8-8 Expanding market	
9. The Philippines	How CSR is evolving in the Philippines	----- 35
	9-1 CSR in the Philippines	
	9-2 Push from the top	
	9-3 Community and economics	
	9-4 Embedding CSR	

	9-5 Employee volunteers	
	9-6 Goodwill and engagement	
10. Tajikistan	Civil Society organizations in Tajikistan	----- 43
	10-1 Brief about Tajikistan	
	10-2 Civil society in Tajikistan	

1. China

By Huang Haoming
China Association for NGO Cooperation

OBSERVATIONS & MEASURES ON CSR PERFORMANCE OF OVERSEAS CHINESE ENTERPRISES

Abstract

This article focuses on the CSR performance of overseas Chinese enterprises covering the aspects of the current situation, international standards, successful cases, existing problems and main reasons causing those problems. The author of the article also points out the strategic measures to respond to the changing situation of external environments in terms of corporate development, strategic planning, and cooperation with NGOs as ways of promoting the internationalization process, compliance of management and performance of CSR of overseas Chinese enterprises.

Key Words

Overseas Chinese enterprises, corporate social responsibility, NGO relationship, strategic measures

1-1 Current Development of Overseas Chinese Enterprises

In 2008, the State-owned Assets Supervision and Administration Commission of the State Council (hereafter referred to as SASAC) issued the Guidance on Central-government Owned Enterprises Social Responsibility Performance. It was the No. 1 document of 2008 and the highest level of the State Council documents in terms of Chinese enterprises' CSR performance, an indication that the Chinese government is emphasizing on enterprises performing their social responsibilities. China has become the second largest economy in the world in the past 12 years and the improvements of opening up the economy and the advancement of the going-out strategy have made leaps and bounds in the internationalization process of Chinese enterprises. In 2013, Chinese domestic investors had set up 5,090 organizations in 156 overseas countries and regions, which totally value 90.2 billion USD in terms of non-financial direct investment. However, those Chinese enterprises encounter many challenges in the process of investing abroad with the criticism from western society, pointing out their lack of community involvement and partnership with the local NGOs in the destination countries and regions they locate.

Then, what is the relationship of Chinese enterprises and the social responsibilities? This can be summarized in three aspects from their internal logic: First of all, performing

their social responsibilities has become the inevitable requirement for the development of those Chinese enterprises which have invested abroad. The 5,090 Chinese enterprises which have set up their factories, business companies and representative offices in 156 overseas countries and regions have become a large group of enterprises, which means they must have close contacts with the local government, business companies, social organizations, and the local consumers. Secondly, there must be a close relationship between the Chinese enterprises and the local society. Objectively speaking, the business activities must bring out connection with the local people. For example, their recruitment of local employees inevitably brings out the employment relationships, and whether they can handle the labor relationship according to the international regulations partly defines their social responsibilities. Finally, overseas Chinese enterprises and local stakeholders are inevitably linked together in other possible ways. The Chinese enterprises are linked to the government (both national and local level), business, NGOs, and individuals with either financial benefits or legal obligations, therefore their behaviors and words will influence the connection, interaction and conflict with the local society.

To sum up the above, CSR performance has become a relatively important element for overseas Chinese enterprises in terms of both business development and standard management. This is also a bottleneck for overseas Chinese enterprises to consider how they should handle the issues such as environmental protection, labor relationship, consumers' rights protection, etc. besides their abidance to the local laws and regulations.

1-2 Corporate Social Responsibilities and Background for International Practices

Corporate Social Responsibility (CSR) defines the social responsibilities that a company should undertake towards the stakeholders and environment in which their business operates. The definition of CSR was pointed out according to the basic principles of sustainable development for business operations, which requires the enterprise to consider not only their financial and operational issues, but also their influence towards the society and natural environmental where they are based in. Here "stakeholder" means the individuals and groups, including employees, clients, suppliers, community groups, their parenting company or attached companies, business partners, funders and shareholders. American scholar David Davis has given out his set of views on CSR, which has been called the "Davis Model".

The model includes:

1. CSR originates from the social rights movement. Since enterprises have significant influence on issues like equal employment of minorities and environmental protection, therefore the society will require enterprises to solve the social issues by using their

influence.

2. Enterprises are supposed to be an open dual-system, which means they can receive information from the society and they should let society understand its operations. To ensure the stability and progress of the whole society, enterprises have to maintain consistent, honest and open information communication.
3. Besides the economic revenue, every activity, product and service of a company has to include the consideration of its social costs and revenue. This is to say, that the operational decisions of a company should be not only based on their analysis on technological feasibility and economic revenue, but also on their analysis of impact to the society, both in short-term and in long-run.
4. The social cost relating to each activity, product or service should be transferred to each consumer. The enterprises are not supposed to do all good deeds benefitting society with only its own capital and manpower.
5. Same as an individual, enterprises as a legal entity should be involved in solving social issues, which might be beyond their normal range of responsibilities. This is because the progress and advancement of the whole society will eventually benefit every member of the society, including the corporate entity.

Although CSR was first pointed out by the western countries, it has become popular in China in recent years. Fortune (Chinese Edition) has been releasing its CSR ranking in the recent three years. Forbes also added one criterion on CSR performance in their business ranking. From those publications we can see the importance and attention on CSR in both western and Chinese society. The UN is also an important organization in promoting business to perform social responsibilities. The former UN Secretary-General Kofi Annan during his tenure had made significant adjustment of the UN working focus to transfer the focus from maintaining sovereignty of national members to protecting rights of citizens. Given the fragility of globalization and the gap among countries are widening internationally, the disparities within one country are also widening due to inequitable dissemination of wealth. Especially the unbalanced development of some companies have brought huge threats to the ecological environment and planetary safety. Kofi Annan has challenged the international business leaders and called on their constraints on business behaviors and undertaking more social responsibilities.

In January 1999, Kofi Annan proposed the Global Compact in the Davos World Economic Forum, which was later formally launched at the UN HQ in July 2000. The Global Compact calls for the companies to abide ten principle rules in respects of human rights, labor standards, and environmental protection.

The main principles of the Global Compact include:

1. Business should support and respect internationally acknowledged human rights.

2. Business should not involve in any actions that disregard or violate any human rights.
3. Business should support the freedom of association and acknowledge the rights of collective bargaining in term of wages and other issues.
4. To eliminate all forms of forced labor.
5. To effectively prohibit child labor.
6. To eliminate any discrimination on employment and industry.
7. Business should be prepared for environmental challenges.
8. Business should undertake more environmental responsibilities initiatively.
9. Business should encourage the innovation and promotion of environmental friendly technologies.
10. Businesses should work against corruption in all its forms

We can see from the above that either Davis Model or the Global Compact emphasize specially on the protection of civil rights, which essentially reflect the respect and protection to human rights and are in line with the human-oriented philosophy internationally acknowledged. From the Davis Model we can see that the operation of an enterprise involves employees, clients, suppliers, community groups, parenting company and attached companies, business partners, funders and shareholders, etc. As it is deeply related to citizens, therefore CSR performance obviously relates to its business development. The business operation and governance will be influenced by public opinion, furthermore, the overseas strategy and sustainable development will also be influenced.

Let's take the Myitsone Dam Project of China Water & Electricity Corporation in Burma as an example. The project was stopped due to environmental and migration reasons. The real challenges the Chinese enterprises are facing are their public relations management capacity and strategies, their communication ability in a diversified and open society, their countermeasures in overseas investment and how to reconsider and balance the investment environment. Those significant issues may decide the survival of the enterprise.

1-3 Initial CSR Practices of Overseas Chinese Enterprises

Since the beginning of national strategy of Going-Ahead in 2000, many achievements have been made. A number of overseas Chinese enterprises are capable of using civil diplomatic philosophy in their performance of social responsibilities from experiences and lessons learned from developed transnational companies and tailoring for their own application, which is exactly practice of scientific development concept. Taking the opportunity of a business trip, the author of the article visited some overseas Chinese enterprises and collected three typical cases of successful CSR practices, including SINOPEC Addax (Switzerland), LENOVO and COSCO. The details are as follows.

1. The first case is to establish independent corporate foundation abroad to carry out

CSR activities in cooperation with local civil groups, which is the case of SINOPEC Addax (Switzerland). SINOPEC Addax (Switzerland) included CSR work in its corporate international strategy and has taken three measures based on the local situation accordingly. The first measure is the internationalization process of strategic management. In order to manage its corporate strategies according to international criteria, SINOPEC joined the UN Global Compact and became member of the World Business Council of Sustainable Development (WBCSD). The second is the international process of human resources. The senior management of SINOPEC Addax is composed of members from 34 countries, including representatives from China, UK, the United States, and also Africa countries. Thirdly and finally, SINOPEC Addax really performs its social responsibilities by carrying out charity activities. SINOPEC Addax Foundation was registered in Geneva and now carries out non-for-profit charity activities globally.

2. Including CSR in overall corporate strategy and carrying out charity activities in creative ways and innovative methods. The LENOVO international development path in the past ten years was actually a process of practicing its social responsibilities. As a transnational company totally growing up from China, the LENOVO experiences of internationalization are worth to learn from, not only for overseas Chinese enterprises, but also for Chinese NGOs.
 1. The company has to be clear about the relationship between its purpose of internationalization and corporate social responsibilities, which will ensure a correct positioning in the internationalization process.
 2. An efficient and clear-oriented team will guarantee the success of CSR performance.
 3. LENOVO includes CSR in the overall corporate development strategies and carries out charity activities with creativity and innovation. The venture philanthropy idea is a real innovation that LENOVO brought out to support non-profit organizations by teaching methods and providing starting resources to disseminate the effect of charity activities. This is an innovative and effective attempt that LENOVO contributes to the non-for-profit sector. The CSR performance and the venture philanthropy are not only helping LENOVO in its own charity practices, but also building up the international brand image for LENOVO.
3. The third is COSCO's case of performing social responsibilities by joining international organizations and using the influence of international alliances. COSCO internationalization strategy and CSR performance include:
 - 1) Self-diagnosis: Setting up strategies with accurate position and tackle development obstacles from the inside-out.
 - 2) Learning from different experiences: Emphasizing expertise and learning from professionals enabled COSCO to act efficiently.
 - 3) Innovative ideas: Business structure and human resources development should keep the same pace with social development.
 - 4) Internationalized development path: Immersing the organization in

multi-cultural backgrounds and diversified ideas and always using win-win principles guarantee the internationalized development of COSCO. 5) Pro-active communication and cooperation: Becoming member of international alliances strengthen the international reputation and influence of COSCO.

Mr. Diao Chunhe, President of the China Contractors Association, believes that with the development of international contracting industry and the further understanding of social responsibilities, the overseas Chinese contracting enterprises will include CSR in their corporate operation strategies and implement it in their practices. First of all, they should pay attention to employment management and workers' rights protection, trying to foster better working conditions and living environments for their employees. This is not only for the rights protection of employees, but also for assurance of human resources development. For instance, the China Metallurgical Group has designed and carried out training programs for employees from project locations to address the lack of technical staff in the project location. The program includes on-site training, sending some local employees to China and training them with Chinese language, cultural background and metallurgical technologies.

Next, the sense of environmental protection was improved obviously to construct environmentally friendly projects by consciously abiding the local laws and regulations regarding environmental protection and meeting the local criteria regarding environmental protection. For example, in a reconstruction project of the local road, the China Road & Bridges Engineering Co. carried out research in cooperation with the local Road Research Institute of the Transportation Ministry to find out a better way to protect cultural relics and natural landscapes along the road. Through a survey on the environmental situation and geographical disasters, they redesigned parts of the road construction plan and proposed a set of environmentally friendly measures in combination with the design philosophy and construction technologies.

Last but not least is that the overseas Chinese enterprises emphasize rewarding the local community and participating in the local social charities, which enables both a long-term economic development in the region and finally reaches to a win-win situation. For example, a road construction project of the China Geo-engineering Group (hereafter referred to as CGEG) in Tanzania took place in a very dry area. The local economy is very backward and living conditions are very poor, even the drinking water is a big problem. The CGEG project team tried to combine the project plan with the local needs and build-up water supply facilities near to the local villages, which solved not only the water supply for the project, but also the drinking water of local villagers and their livestock. CGEG also used its own funds and equipment to recover a well, disposed long time ago, and solve the water supply for about one thousand local people at once. The wells made

by CGEG are open and free to local villagers nearby and local people along the road project brought an end to the time of drinking unhygienic water. The road condition near the CGEG project location Camp Mikva by the church was in very poor condition and people could walk through in raining seasons. In this case, CGEG constructed a new road of about 200 meters length which made it very convenient for the local people to go to church.

Although many achievements have been made, problems also appear. Research carried out by Mr. Zhong Hongwu and others in 2007 shows that overseas Chinese enterprises' CSR performance are poor and they lack of social responsibilities, which is increasingly revealed, criticized and condemned. Overseas media continuously point out that the overseas Chinese enterprises bring out the problems of resources, environment, human rights, safety, social governance, etc. This arouses the resentment and resistance from the local people. According to a statistics the author collected from UPI, one of the biggest four media agencies in the western society, by June 12, 2007, there were 2,147 press stories on human rights violation regarding Chinese enterprises in African countries, 1,582 on labor issues, 1,408 on corruption, and 1,655 on environmental issues. The lack of social responsibilities of overseas Chinese enterprises caused a negative impact on the national image, corporate reputation and brand building, and set obstacles for the going-abroad strategy. Moreover, it influences the global strategy of Chinese enterprises. The lack of social responsibilities has become the first urgent and most significant strategic issue to address for Chinese enterprises investing abroad.

Mr. Diao Chunhe's research also shows that, although much progress has been made, the overseas Chinese contractors' performance to undertake social responsibilities is not satisfactory as well. For example, many enterprises have only superficial and unsystematic understanding on their social responsibilities, such as social donations. In their overseas operations, they lack the capacities to localize their business and integrate into the local culture, take initiative for environment protection, and competences for promotion and public communication.

To sum up, there are both achievements made (such as including CSR as part of international strategy, setting up independent foundations, interaction with local employees, publishing of CSR reports, etc.) and urgent problems to be solved (including labor relations, environmental protection, safe and healthy working conditions, lack of communication with local community and business honesty). Two aspects are the cause for the appearances of above problems. One aspect are the political and ideological reasons. Some western countries, to address the need of country strategy, intend to broaden social responsibilities that overseas Chinese enterprises should undertake, eventually to reach their political purpose. The other is that problems really remain in

overseas Chinese enterprises. Therefore, it is necessary to remain calm and carry out objective analyses and research on the reasons why overseas Chinese enterprises should undertake social responsibilities.

1-4 Future Development Strategies for Overseas Chinese Enterprises

We need to have a clear understanding on the future development of overseas Chinese enterprises. What we have from materials and research so far is only a tip of an iceberg. The composition of overseas Chinese enterprises is complicated. There are state-owned enterprises from Mainland China (including central government-led enterprises and their subsidiaries), private enterprises, and for sure, enterprises from Taiwan, Hong Kong and Macau. Due to the limitation of references and materials, the cases and statistics in this article are mainly from state-owned enterprises of Mainland China. Enterprises from Taiwan, Hong Kong and Macau are not included. With the strong development of China's economy, overseas Chinese investment will be further expanded. Six aspects of strategies are proposed for overseas Chinese enterprises in their consideration of performing social responsibilities. The detail contents are as follow.

1. An evaluation system should be established on CSR of overseas Chinese enterprises to push their SCR implementation and application. A government agency should be appointed as the administration of CSR performance of enterprises. Together with industry associations, research academies, NGOs and volunteers, this special government agency can establish a set of CSR criteria to monitor and evaluate CSR performance of overseas Chinese enterprises. Those who have serious deficiencies on CSR will be put on a blacklist. This will enforce the overseas Chinese enterprises to undertake their social responsibilities. As for state-owned enterprises (both central government and its subsidiaries), CSR should be pointed as key performance indicator and a veto vote policy should be applied. This will ensure a thorough implementation of CSR from top to the bottom and make CSR performance an important part of corporate reputation. A specific CSR department should be set up in the enterprises to release the corporate annual CSR report to ensure the daily implementation of CSR work.
2. An overseas Chinese enterprises federation should be established to play a leading role. Industrial regulations can be set up to regulate the operation of Chinese enterprises, including performing CSR, strengthening self-disciplines, preventing vicious competition, communicating with local people, community and government, as well as religious groups and trade unions. This federation can instruct overseas Chinese enterprises to hold public hearings on the projects they invested in. The local community, NGOs and stakeholders should be invited to join the consultation mechanism. The project design should be transparent and project feasibility study strengthened. A risk analysis should be included in project design as well, in order to

monitor the project impact in the long-term and to set up a traceability mechanism to ensure effective management of the industry.

3. The overseas Chinese enterprises are encouraged to join together and register their own chamber of commerce in the country they are based in. The overseas Chinese enterprises should take into consideration interests of their host nation and set up an association of their own according to the local laws and regulation. This association needs to invite private enterprises and companies to become their members in order to form up real association of Chinese enterprises in all forms. In this case, the association can combine the specific contents of CSR with project bidding, information sharing, risk management, fundraising, human resources training of all member companies.
4. Joining in UN Global Compact will strengthen the communication and cooperation with other transnational corporations. As known to all, Chinese enterprises have joined the international market and competition for only a short period of time and lack experiences and network support. Therefore, it is necessary for them to strengthen communication among corporations and international cooperation. They need to study advanced ideas and successful experiences and to improve their own work to better undertake their social responsibilities. The overseas Chinese enterprises need to strengthen their dialogue and communication with international organizations as well, and participate actively in the process of setting up international CSR standards. Their rights to speak should be emphasized for overseas Chinese enterprises to enhance their participation in international affairs and thus expand their influences in international affairs.
5. Communication and interaction between local NGOs and overseas Chinese enterprises should be encouraged to in order to hear suggestions and comments from local NGOs. The overseas Chinese enterprises should strengthen their dialogue with the local NGOs in the country/region they operate in and try to establish partnerships at the proper time. This will enable the overseas Chinese enterprises to better understand the mission and operation of local NGOs, to share their own information and experiences of corporate operation, and, therefore, to gain more consultancy and comments for overseas Chinese enterprises, as a whole, from local communities. It will help overseas Chinese enterprises to improve their efficiency of CSR investments by making use of local NGOs as an important strength in project design, funding input, project implementation and project monitoring. The partnership with local NGOs will help overseas Chinese enterprises to better combine its corporate internationalization strategy with CSR projects and result in a standardized operation and sustainable development of the overseas Chinese enterprises.
6. Finally, overseas Chinese enterprises are encouraged to set up their own CSR department in order to set up a communication platform with local communities, consumers and staff members. With the high-speed development of information

technology, the overseas Chinese enterprises should better publish and communicate with the public their CSR philosophy and practices through setting up of a CSR department. This department is an important information platform to interact, communicate and share information between the enterprise and local communities, local consumers, and staff members. The enterprise can also consider registering its own charity foundation and taking care of local disadvantaged groups and addressing reasonable needs of the local community.

In summary, CSR performance of overseas Chinese enterprises is a significant composition for the process of internationalization, standardization, and professionalization of Chinese enterprises. It is important to set up a platform for communication, interaction and cooperation with the local stakeholders, according to different laws and regulations, cultural backgrounds and customs, religious backgrounds and beliefs, as well as the environmental changes. The partnership with the local NGOs and the implementation of social responsibilities are of special importance for the healthy development of overseas Chinese enterprises to make a step forward.

2. Fiji

By Mohammed Hassan Khan
Fiji Council of Social Services

SOCIAL ENTERPRISE AND PHILANTHROPY IN FIJI

2-1 Social enterprise

This not a new thing from the perspective of the Fiji CSOs because when one looks at the history of community work it has been on key five pillars was the basis of setting up CSOs (or charitable, religious and community organizations. Theses includes the following aspects life and living:

1- protection of religion/faith

2-protection of life, living and learning

3-protection of culture and community

4-protection of-self respect and dignity

5-protection of wealth and property for common good

In today's terms social enterprise is more for providing financial returns and stability to functioning of and organization which hopefully will lead to social returns.

However there is strong push for these ethics and values to follow the corporate and business guidelines to qualify as "successful" organization. It is myth that CSOs or charities or NGOs or CBOs provided FREE services. There has never been anything free as someone paid in some manner such as; to the or religious dues, donations, charitable giving out of generosity or even guilt, promoting goods and services, secure favours and business, fees for services rendered, payment for education and schooling etc.

In case of Fiji perhaps the main social enterprise in the provision of education by CSOs(out of the 1500 primary and secondary schools in Fiji the government owns and manages only 14, the rest is ours, the CSOs.) these are best examples of social enterprise success story.

The point to note is that CSO SE are largely provided free that is in management services and mst of these volunteer hours are selfless service for the community good.

However there many questions and issues that are being raised on the viability of SEs as profitable ventures and there "successes".

2-2 Corporate social responsibility

This takes form in many ways and have existed for a very long time. In Fiji it has always been in the interest of the business community to be involved in some form of community services for the good of their business, political standing and corporate power play. Business persons have served on various CSO management board, committees and employees of the both corporate and business are involved in a very wide range of community or so called charitable activities.

These were done mostly through such organizations as The Jaycees, Lions Clubs and the Rotary Clubs and there sister organizations. However as it is now an era of “Branding and Brand names”.

The corporate are doing it themselves for their image business and to gain political mileage.

So like the SEs, questions and issues could be raised in the case of CSR or CP and this leads us to have a closer look at our selves as CSOs vision, mission, values and strategies.

WHO ARE WE AND WHERE DO WE WANT TO GO.???? ARE WE NOT SUPPOSED TO BE DIFFERENT?

3. Finland

By Timo Lappalainen
The Finnish NGO Platform (KEPA)

GENERAL

In general, the Finnish legislation on corporates is not especially progressive in terms of a variety of company or corporate models. The legal frameworks for shareholding companies is geared to maximise the profits.

In the 20th century there have, however, been Finnish companies which have seen their role as a social benevolent actor. The paper and pulp factories from 1920-ies up to 1960-ies supported cultural or social activities and helped establish schools, children's day-cares, vocational training, hospitals and sports fields. It is recognised that the role of some major Finnish corporates between the world wars was essential in helping Finland to heal and find a national unity after the bitter civil war in 1917-1918. Usually the companies were family-owned, the owners having close contacts and links with the labour-supplying community and secondly, these benevolent companies were located often in small or medium-size cities where they also often were the main employers.

SOME EXAMPLES OF SOCIAL RESPONSIBILITY INNOVATIONS IN THE PRIVATE SECTOR

3-1 The Ethical Bank 2.0

An initiative of an ethical bank led into the establishment of the cooperative-based bank called the Ethical Bank 2.0. The main purpose of the Ethical Bank 2.0 is not to maximise its financial profits but to promote and contribute towards a sustainable economy through financial activities. The Ethical Bank 2.0 is based on four key values and principles: sustainable well-being, transparency, progress and justice.

Sustainable well-being comprises economical, ecological, social, cultural and mental well-being which translates into a better quality of life over generations. Transparency indicates that the activities of the Ethical Bank 2.0 can be assessed and monitored by any third party. The arguments for and behind the decisions should be made available for monitoring and back-tracking. The drive for progress means the commitment to developing and improving the Ethical Bank 2.0 beyond minimum legal requirements. The founders of the Ethical Bank 2.0 think that bringing the human element into economical and societal life is same as progress in this context. Justice or fairness means that the Ethical Bank 2.0 meets and serves its customers and partners on an equal basis. The bank respects people, animals and nature. The Bank also respects and appreciates

diversity, which can pave way for taking the unique skills and expertise of everyone to advance common good. The principle of fairness also include the idea of giving chance to influence, speak and participate.

3-2 Social company

A social company operates in the same markets and fields as any other company with the exception of it employing people with disabilities or limited capacity, or who have been unemployed for long time. The activities and regulations for social companies are based on the law on social companies pf 1.1.2004. A social company pays to all its employees the salary in line with the general work contract agreed between labour partners. A social company can have a wide variety of legal set-ups: a shareholder company, cooperative, foundation or association.

The minimum requirement for a social company to be eligible to subsidies from public funds is that 30% of its staff must be employees with limited capacity or being unemployed for long.

According to the survey results carried out by the ministry of labour in 2009, 168 social companies taking part in the survey employed 1 236 people with limited capacities. In December 2009 there were 210 social companies in total.

3-3 Societal companies

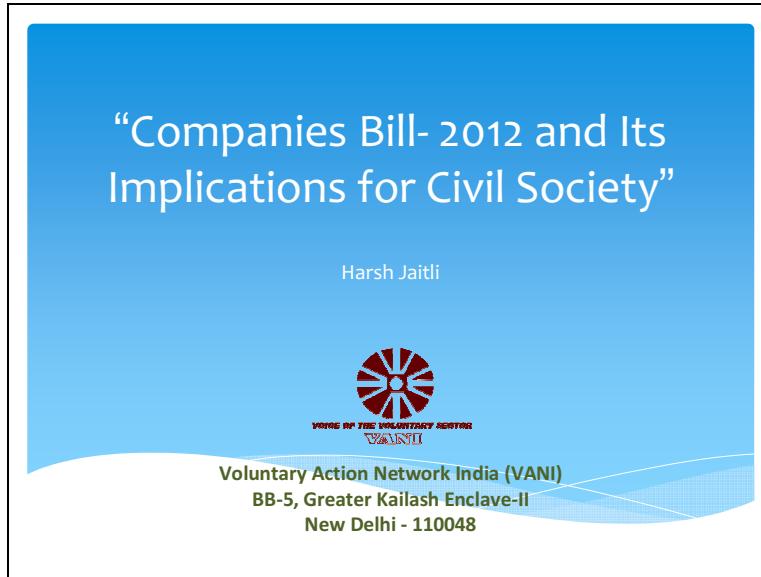
Societal companies resolve problems or shortcomings related to community and societal life or environment. Most of the proceeds from their commercial activities are invested in promoting and pursuing the objectives in resolving the above problems or shortcoming. The companies included in the registry of societal companies are allowed to use an exclusive “Societal Company” logo.

There are thousands of societal companies in Finland operating in all fields that are relevant for human well-being and environment. A societal company has to use at least 50% of its profits for activitiess or investments which help maximising the positive impact on human well-being and sustainable environment. Societal companies do not receive any public subsidies.

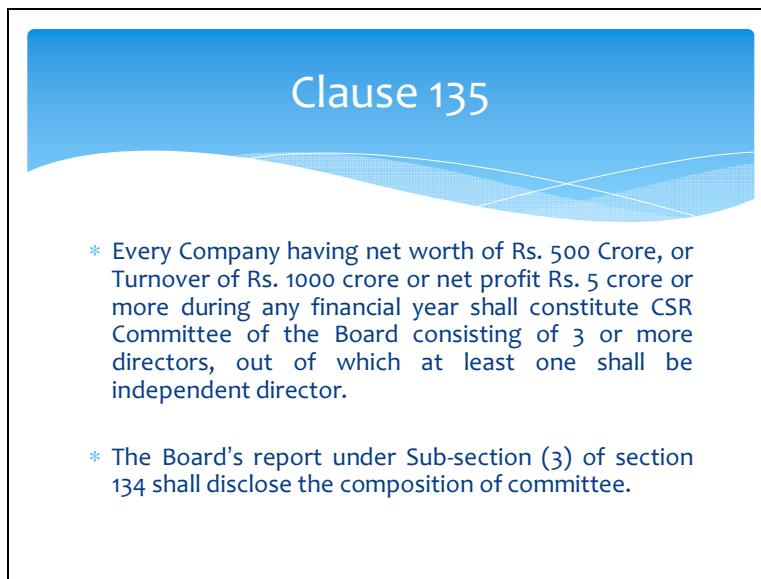
4. India

By Harsh Jaitli
Voluntary Action Network India (VANI)

COMPANIES BILL-2012 AND ITS IMPLICATIONS FOR CIVIL SOCIETY



Slide 1



Slide 2

Role of the Committee

- * Formulate and recommend to the board, a CSR Policy which shall indicate the activities to be undertaken by the company as specified under Schedule VII.
- * Recommend the amount of expenditure to be incurred on the activities referred to in clause (a), and
- * Monitor the CSR Policy of the company from time to time.

Slide 3

Role of the Board

- * After taking into account the recommendations of CSR Committee, approve the CSR Policy and disclose the content of policy in its report, company's website, etc.
- * Ensure that activities are undertaken by the company as are included in the Policy.
- * Ensure that in every FY, at least 2% of the average net profits made during 3 immediately preceding FY.

Slide 4

Contd...

- * On CSR Policy
- * On local area and areas around it where it operates
- * If a company fails to spend such amount, the Board shall, in its report Under Clause (o) Sec. 134, specify the reason for not spending.
- * “Average net Profit” shall be calculated in accordance with the provisions of section 198.

Slide 5

Schedule VII

- * Eradicating extreme hunger and poverty,
- * Promotion of Education
- * Promoting gender equality and empowering women.
- * Reducing Child mortality and improving maternal health,
- * Combating HIV, AIDS, Malaria and other diseases,

Slide 6

Contd...

- * Ensuring environmental sustainability,
- * Employment enhancing vocational skills
- * Social business projects,
- * Contribution to PM's National Relief Fund, or any other fund set up by the Central or state Government for socio-economic development and relief or for the welfare of SC, ST, Backward classes, minorities, women, etc.
- * Such other matter as may be prescribed.

Slide 7

Clause 181

- * The Board of a company may contribute to bona fide charitable and other funds
- * Provided that prior permission of the General Meeting shall be required for such contribution.
- * 5% of its average net profits for the 3 immediately preceding FY

Slide 8

For Voluntary Sector

- * Flexible Funds for innovations, research based policy advocacy.
- * In achieving national development targets.
- * Flexibility to work on issues of mutual interest.
- * Identification of partners
- * Platform to share the learning and experiences.
- * Implication of FCRA (Foreign Companies)

Slide 9

5. Japan

By Yoshiharu Shiraishi

The Japan Association of Charitable Organizations (JACO)

A RECENT SITUATION OF SOCIAL ENTERPRISE AND CSR-PHILANTHROPIC ACTIVITIES IN JAPAN

5-1 Social enterprise in a wider context

The idea of social enterprise which is typically located at the area between profit company and charity has a long history around the world, though under different names and with different tendencies (slide 2).

Social Enterprise London (SEL) described social enterprises in its report (2001a) from the perspective of social economies in the following three areas: enterprise orientation, social aims, and social ownership. As shown in slide 3, they are classified as being in the private or government sectors according to income source, goals, and type of ownership. SEL has focused on and analyzed social enterprise as shown in the center of the Table.

Below, some basic characteristics of social enterprise are described.

- Social mission: To have the mission of addressing social issues in doing business. Social enterprises can operate their businesses only by supporting their social mission through the community and stakeholders.
- Social business: To create a new comprehensive business to realize the social mission. Social enterprises may take on a variety of legal forms.
- Social innovation: To develop new social goods and services, and to develop systems to address social issues through doing general business. It is also important to realize new social values through the social business.

Regarding a situation of social enterprise in Japan, it has never had a specific legal form for the social enterprise until 2004, there has been substantial argument about this issue. In 2005, a new act for private limited company went into effect. The new act was created not only for private limited company but also social enterprise. According to the new act, it says that earned surplus doesn't need to be dividend distributed among stakeholders, and residual property doesn't need to be distributed among stockholders.

5-2 Social enterprise in Japan

A definition of social enterprise in Japan is a business structure that has social, charitable or community-based objectives. Profit sectors in Japan have carried out CSR and philanthropic activities. Social enterprises also existed for a long period and a number of

these social enterprises and profit companies that initiating CSR and philanthropic activities increased rapidly from late 1990. Behind this background is that the economic conditions got worse and the tax revenue fell since 1990. Therefore, the Government recommended general public to establish social enterprise to cover the needs of society because the government got above the limit to provide public services.

The background of proposing social enterprise is different from Japan, the United States and the United Kingdom. In case of Japan, social enterprise was proposed by government as explained before, although they were proposed by profit sectors in the US and third sectors in the UK.

It is possible to set up business structure that has social, charitable or community-based objectives by establishing private limited company but you cannot enjoy tax benefit. Establishing corporation that has legal status of general nonprofit corporation(GNC), specified nonprofit corporation(SNPC), public interest corporation(PIC) or social welfare corporation(SWC) is also common in Japan and these legal entities normally capture a tax benefit.

In case of SNPC which was created in 1998, the number of organizations increased up to nearly 50,000 (as of 2014) and SNPC's earned income is bigger revenue source than giving, membership fee, subsidies and grants. Most of SNPC are generating earnings by selling goods and services for financial sustainability. It means that earned income specified nonprofits based on active citizenship have been called social enterprise. It is the same holds for PIC and GNC.

5-3 Example of social enterprise

The followings are few examples of social enterprise and CSR-philanthropic activities in Japan.

5-3-1 Social enterprise

One of a major social enterprise “Florence” based in Tokyo was established in 2004 as a specified nonprofit corporation. The organization itself is a social enterprise that resolves social problems with a business approach.

Florence is providing non-facility-based sick child care service as a main activity to solve the social problem. They support working mothers and their children with the cooperation of local pediatricians and working mothers.

Florence is also collecting donations from general public to support single parent families with free of charge. The reason why they are providing services to single parent families is the most of single parents' income is very low that cannot receive services

from Florence.

The other services that Florence is providing are;

- to create a society where both childcare and having a career are possible
- to Solve the child waitlist problem and solitary child rearing problem
- to transform a societal structure through policy recommendations and publicizing issues
- to operate the indoor park for children in Fukushima
- to provide study support for the middle and high school students in the disaster-affected area
- to educate the caregiver for sick children.
- to expand the knowledge of operating small-scale nursery

5-3-2 CSR and philanthropy

The Aeon is a comprehensive group comprising competitive companies and businesses. They currently have 350,000 employees and sales of over 5 trillion yen (\$50 billion). It has become the largest retail distribution group of companies in Asia.

They launched tree planting activities in 1991 and Aeon Malacca located in Malaysia is the first shopping mall that initiated tree planting activity for the first time. An introduction reviewing the evolution leading to 10 million trees being planted in 2013.

They are also have the following environmental and social initiatives;

1. developing next generation energy efficient “eco store” able to use energy efficiently and respond to disasters with local communities.
2. promoting locally produced food products and local food culture through focus on the TOPVALU brand.
3. Providing shopping portal site to respond to the needs of the elderly and infirm.
4. contributing to sustainable development around Asia by promoting environmental and social activities in local communities.
5. contributing to continual development in Asia for the next generation.
6. supporting disaster affected area in Tohoku region, Japan.

Not only Aeon but also other profit companies from small size to large sized corporations are initiating CSR-philanthropic activities and each of them gives an important role to the society. Most of major companies established foundations to provide their earned income to the charities or spend them for charitable purposes but their trend is shifting to the Creating Shared Value (CSV) at a slow speed.

5-3-3 Umbrella body for social business

Social Business Corporation Limited (\$10,000 capital) is a national umbrella body for social enterprise based in City of Nagoya. The organization itself was established in 2009 as a company limited to solve the issues and problems that we are facing now including low birth rate and longevity, environment, rate of food self-sufficiency etc.

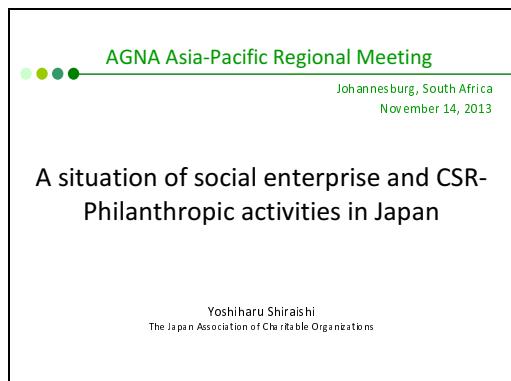
They are providing several supports including social business support, educational support for social business entrepreneur, managing consulting, originate, operate, manage social action fund to profit and nonprofit organizations that are providing social services. The organization established as a private limited company is spending their returns for charitable purposes as indicated above, instead of distributing their returns among executive officers and shareholders according to their article of association.

5-4 Current circumstances

Talking about corporate social responsibility, providing grants for scientific research, scholarship for students, grants for charitable activities operated by charities and etc. is still common in Japan, but there is a move to introduce several new ways to provide grants or services including donor advised fund, Creating Shared Value, Catalytic philanthropy, etc. In the last 50 years, there is a great awareness of the value of their responsibility, therefore CSR and philanthropy is growing even now. On the other hand, charities in Japan are gradually adopting social business model.

From that reason, near the future, it is expected to be no boarder between profit sector and non-profit sector in terms of responsibility to society, a way of providing public benefit services and etc.

Slide 1



AGNA Asia-Pacific Regional Meeting
Johannesburg, South Africa
November 14, 2013

A situation of social enterprise and CSR-Philanthropic activities in Japan

Yoshiharu Shiraiishi
The Japan Association of Charitable Organizations

Slide 2



AGNA Asia-Pacific Regional Meeting

Social enterprise in Japan

- It is a business structure that has social, charitable or community-based objectives.
- Social enterprise started to expand from late 1990th.
- Who proposed social enterprise;
- US=profit sector
- UK=third sector
- Japan=government

Slide 3

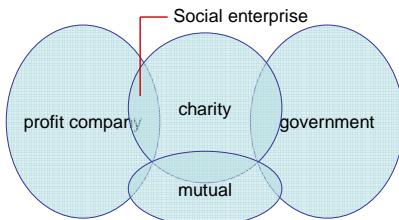
AGNA Asia-Pacific Regional Meeting

- You can set up the following structures if you wish to set up a business that helps people or communities.
 - private limited company
 - general nonprofit corporation
 - specified nonprofit corporation
 - public interest corporation
 - social welfare corporation
 - etc...

Slide 4

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Structure that forms a society



Slide 5

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New act for private limited company

- New act for private limited company went into effect in July 2005.
- Earned surplus doesn't need to be dividend distributed among stakeholder
- Residual property doesn't need to be distributed to stockholder

Slide 6

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Social enterprise

Name: Florence (approved specified nonprofit corporation)
Head office: Tokyo Metropolitan
Establishment: April, 2004
Activity:

- 1. Sick Child Care Service
- 2. Work/Life Balance Service
- 3. Social Promotion Service
- 4. Sick Child Care Market Creation

Florence is a social enterprise that resolves social problems with businesses. It seeks balance in society where anyone has the opportunities to work with affordable access to child-care services.

Slide 7

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Umbrella body for social business

Name: Social Business Co. Ltd.
Head office: City of Nagoya
Establishment: November, 2009
Capital: \$10,000
Activity:

- 1. Social Business
- 2. Social business support
- 3. Educational support for Social business entrepreneur
- 4. Management consulting
- 5. Originate, operate, manage social action fund

Slide 8

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CSR and Philanthropy

Name: Aeon Co., Ltd. (general merchandise store)
Operating revenue: \$570 billion (2012)
CSR activity (world wide): planting trees, scholarship program, safe water campaign, school construction support project, cheers club, PET bottle cap collection campaign, teenage ambassadors program, Asia eco-leaders program.
Philanthropy: AEON Environmental Foundation (world wide): excellence in biodiversity maintenance biodiversity award, giving grants for environmental activities, donating solar power systems

6. Nepal

By Gopal Lamsal
NGO Federation of Nepal (NFN)

CHARITABLE SOCIAL RESPONSIBILITY IN NEPAL

Focusing to Non Governmental development Organization

The history of present form of civil society organizations and NGOs has no long history in Nepal. Nevertheless, there seemed to be different kinds of voluntary organizations and associations exist from Vedic period of 2000 BC. The existence of civil society which was organized for promoting democratic agenda during the movement different personalities and institutions were formed by civilian who mainly focused on the establishment of democracy in the country.

Nevertheless, before 1990, in panchyat regime, no organizations and NGOs were allowed to work legally in Nepal and they had to organize their work informally without mentioning their legal identity. After the restoration of democracy in 1990, civil society organization and NGOs began to legally register and started to involve broader issues of social development ranging from social empowerment of people to delivering essential services to people along with the development of democratic movement the non-governmental organizations moved forward strongly. To make the civic movement more inclusive, democratic and the socio-economic transformation and development, the role of civil society proved to be important. Civil society organizations and NGOs in Nepal have been powerful pressure groups in democratizing the society and state.

After 1990s, civil society organizations and NGOs working at different social and economic issues began to make a larger influences converging into different networks, federations and alliances and have advanced the issues of people at grassroots. NGO Federations of Nepal, Federations of Community Forest Users-Nepal, Human Rights Organizations' Networks/Alliances, Women groups and networks, User Groups of natural resources (drinking water and sanitation, irrigation user groups), land rights movements, dalit rights movements, movements for rights of people of differently able, professional organizations movements, ethnic rights movements etc have represented the major civil society movement in Nepal.

Moreover, during 2005/2006 people's movement, a number of human rights activists, professionals, writers, actors and ex bureaucrats have formed different groups of civil society who involved in the democratic movement primarily protesting the autocratic regime of the King.

The Policy Framework in Nepal

The organization society Act 1960 was the first legal instrument that legitimized the private sector involvement in development. Yet, the overall patronage was provided by the state. In 1977, the Society Registration Act was amended and renamed the Association Registration Act which included clubs, public libraries, literary societies, self-help groups, NGOs and cultural groupings where the Chief District Officer would register, guide, direct, control and supervises them. The lack of solidarity among relatively autonomous organizations of the society, an economically statist nature of development strategy and a patrimonial governance subordinated public institutions to the central government for initiative, creativity and material support.

The Constitution of the Kingdom of Nepal 1990 defines the chief objective of the state to promote conditions for the welfare of citizens on the basis of the principles of “open society, by establishing a just system in all aspects of national life, including social, economic and political life, while at the same time protecting the lives, property and liberty of the citizens.” Under the new dispensation, the Social Welfare Council, which replaces the pre-1990 Social Service National Coordination Council (SSNCC), was reconstituted and the Social Welfare Act 1992 was promulgated with the mandate to facilitate, promote, mobilize and coordinate the activities of NGOs.

Due to the lack of a coherent Civil Society Act and confusion of the government regarding its nature and functions, civil societies of Nepal are being treated as NGOs and many of the non-governmental subsystems are still left un-constitutional zed. But, unlike NGOs and INGOs whose de facto and de jure operation in Nepal requires their registration with Social Welfare Council, civil societies operate under a diffused mandate and many of them work as informal organizations without any need for registration at all. For example, trade unions are registered with the Department of Labor, students unions with the university, private consulting firms under the Department of Industry, a few civic organizations with the Social Welfare Council, etc. Despite the diffused character, the state centric approaches to Nepalese development have been complemented by a reinvigorated importance of societal factors.

The demand for the autonomy of the civil society thus lends support to human rights and popular sovereignty embedded in the Constitution of the Kingdom of Nepal. By the same token, the Constitution recognizes that the source of all legitimacy lies in the democratic law-making process. There were 154 International Non-Governmental Organizations (INGOs) and 35,475 NGOs registered with the Social Welfare Council as of 2013. According to the Finance Ministry, there are 30,000 NGOs out of which about 8,000 are active in the various sectors of development. Among them there are 5800 affiliated in NGO federation of Nepal. But there are far more INGOs and NGOs operating in the country and increasing the

prospects for the rich associational life of citizens.

The Tenth Five- Year Plan document had prematurely read a farewell to the nation-state and overestimated the capabilities of non-state actors in governance. This it did, regardless of its implications to the crucial mediating structures of the society and the life-world of the majority of the population who lived below the poverty line and required basic needs for survival rather than market efficiency.

The subsequent coalitions and the later government have continued with the same economic policies. In 1991, a high-level Administrative Reform Commission (ARC) made recommendations for decentralization of power to local governance units, down-sizing of the state, privatization of public sector industries, restructuring and reform of the civil service, de-bureaucratization of development, deregulation of economic life, emphasis on private sector initiative, etc.

The Ninth Five-Year Plan Document (1997-2002) appears more concrete in legitimizing the space of NGO and civil society movements in Nepal. The document upholds the ideal of empowering local bodies and aims at making administration people-oriented by involving the government, NGOs, civil societies, the private sector and locally elected bodies in social mobilization. Its key considerations are: enabling people to shape policy decisions, enhancing a sense of political efficacy, developing opportunities to enforce their claims, getting benefits and developing their stakes and interests in local governance. Accordingly, the law, Local Self-Governance Act 1998, highlights the importance of NGO and civil society involvement in the local governance and development process.

The Local Self-Governance Acts encourage the formation of NGOs and civil societies at the local level, with the approval of the Village Development Committee (VDC) or the municipality, and involve them in local development projects by allowing them to “identify, formulate, execute, maintain and evaluate,” those projects.

The “Priority Reform Action” of Government of Nepal, Ministry of Finance, articulates the “strengthening of links with civil society organizations representing their autonomy and enhancing accountability of the civil society to increase development effectiveness”. These associations are expected to provide considerable disposition of knowledge, information, resources and services outside the state purview and are counted upon to serve as an anchor to the transformation of the passive patron-client relations into an active citizenship.

The proliferation of associations and networks is considered as a dynamic catalyst for the advancement of democracy and a crucial bastion for the sustenance of democratic governance. Are the emerging civil societies in Nepal rooted in the real needs, experiences

and aspirations of Nepalese citizens or do they constitute only a response to donors' aid packages and aid conditionality's? Are they operating under the vision articulated by the Constitution of Nepal or imprisoned by outside models of governance and development? There is a lack of institutionalized partnership of civil society with the state and the functional boundaries of these societies are, therefore, very porous. Freedom and development the fundamentals of a balanced transition from economic growth to social justice are keys to establishing.

2007-Promulgation of Interim Constitution

- Constitutional Monarchy to Republic
- Unitary system to Federal system
- Hindu state to secular state
- 2008-Election of constituent assembly (CA)
- 2012-Dissolution of CA without promulgating new constitution
- 2013-Second election of CA going to be held (November)

Legal Framework

- Organization registration Act 1977
- National Directive Act 1961
- Social Welfare Act 1992
- Register in District Administration Office/Ministry of Home Affairs
- No. of registered: 38,000??
- Existence: 11,000
- Active (varies in scale): 7,000
- Working Sectors: Service delivery, Defending, Advocacy, Watchdogs, Research,
- 200,000 people engaged, 34% women (CBS) in NGOs/CBOs.
- 58,000 paid staffs (CBS)
- Contribution in national revenue: Rs. 391.22 million (IRD)
- Participation in every democratic movement

Problem and Challenges

- Legislative
 - Still enacting old act
 - All organizations register under same act (FECOFUN, FEDWASUN etc.)
- Poor regulation due to ineffective mechanisms
- Political instability because of transition phase
 - Absence of people's representatives in democratic institutions
 - Impunity
- Shrinking space of civil society

- Weak democratic institutions
- Formulate CSO friendly new act
- Attitudinal shift of politicians and bureaucrats
- Recognize CSOs as good partners
- Give adequate space in governance process at local and national level
- Simplify regulatory processes

7. Nigeria

By Oyebisi Babatunde Oluseyi
Nigeria Network of NGOs (NNNGO)

SOCIAL ENTERPRISE IN NIGERIA

Social enterprise is an emerging concept in Nigeria, it is however promising for the future of funding as it relates to civil society activities. If well implemented the social enterprise concept provides a steady and predictable funding stream for funding innovative solutions to various social issues facing the world today.

Social enterprises as defined by Social Enterprise UK are businesses that trade to tackle social problems, improve communities, people's life chances, or the environment. They make their money from selling goods and services in the open market, but they reinvest their profits back into the business or the local community. And so when they profit, society profits

These are organisations using the power of business to bring about social and environmental change. In the last few years, we have witnessed an increase in the number of organizations and individuals running various social enterprise initiatives however how successful they have been in addressing their objectives and impacts made needs to be assessed.

Social enterprises in Nigeria can operate within the law by registering with the Corporate Affairs Commission (CAC) an agency of government charged with the responsibility of registering companies under the Companies and Allied Matters Act (CAMA).

In reality, starting a social enterprise still requires the necessary skills needed to start either a for-profit or not-for-profit organization as the growth and sustainability of any social enterprise will benefit more from business management, technology, critical thinking and analytical skills among other 21st century skills.

Since 2012, we have as part of our work at the Nigeria Network of NGOS promoted social enterprise as an alternative way of addressing social issues without having to wait for donor funding. We have also organized in collaboration with organizations working on social enterprise related issues series of workshops and seminars on how best non-profit organizations in our membership can transit into social enterprise ventures.

No doubt there is a great future for social enterprise as civil society organizations

grapple with dwindling donor resources and government restrictions on the kind of support they can obtain from foreign organizations. An effective social enterprise initiative will open up unrestricted funding for organizations to implement solutions critical ameliorating social challenges without the challenges of donor restrictions.

8. Pakistan

By Prof. M. Ismail
Pakistan NGOs Forum (PNF)

Philanthropy and corporate philanthropy is being merged in Pakistan, We see a very slow movement of leading corporates towards integrating CSR into their strategic business, as well as social and community development strategies.

8-1 Limited Knowledge

Many businesses in Pakistan still view CSR as mere philanthropy and charity. Only a handful of companies are signatory to the UN Global Compact or comply with the 10 guiding principles for conducting business in a responsible manner and becoming a socially responsible corporate citizen. They lack the knowledge and expertise to implement CSR programmes and consider doing so as an added responsibility. Most businesses in Pakistan give charity and make donations for noble causes. They are faced with many challenges, especially electricity shortfall and corruption; they are not able to conduct their business without paying bribes or cutbacks to unscrupulous government officials and departments.

8-2 The concept of Muslim Philanthropy:

The people in corporate sector give donations but not in a sense to play their role in the development and protections the rights of the People of Pakistan, but they are influenced from the Muslim Concept of Charity that has a welfare and religious face such that to give food, clothes to the poor, construction of mosques, Madrassas and give support to the students of religious schools (Madrassas).

8-3 Perceptions about NGOs:

The classes and the ruling cliques who usurp and violate the rights of the people have been successful in defaming NGOs in Pakistan. The Rights based work is considered as conspiracy against the Islamic values, culture and even solidarity of the country and therefore NGOs are considered enemies of Islam who are getting money from Jews, Christian and the West who are working an anti Islam agenda. Therefore the NGOs cannot get any share in the Muslim Philanthropy.

8-4 Political parties Foundations:

The political parties have established their own Foundations to collect the Muslim Philanthropy and donations from individuals and corporate sector. They are running welfare centers such as Welfare Hospitals and Madrassas and are involve in other charity works but are least interested in development and Rights based programs.

8-5 Personal Trusts and Foundations:

The owners in Corporate Sector establish trusts in their name to save taxes; the other groups also make donations to these trusts. These trusts do some charity works with a main focus on establishing their own hospitals, religious schools, Mosques and to give some cash or edibles to the needy people. We see that Media Houses have also developed such kind of trusts, but these trusts are very much following the way of Muslim Philanthropy.

8-6 Immense Opportunities

Nevertheless, Pakistan offers a wide range of tangible opportunities for responsible businesses seeking to make a difference in the lives of ordinary people through CSR initiatives and programmes. The unequal distribution of wealth and lack of employment opportunities in and outside major urban centers are taking their toll and choking Pakistani cities. This is increasing pressure on the healthcare, education and sanitation facilities in big cities, creating pollution and seriously challenging the sustainability of resources. Pakistan is the world's sixth most populous country and more than 70 per cent of its 180 million people live in the rural areas. Development of infrastructure and community improvement programmes in small towns and villages could reduce migration to big cities, as well as bridge the widening gap between standards of living of the urban and the rural population.

8-7 Need for Infrastructure

There are several successful models of sustainable urban development in the developed world that could be emulated and tailor-made to suit the development needs of Pakistan's rural and remote areas. The poor infrastructure and lack of basic amenities in rural areas is a major challenge. Rural areas account for more than 75 per cent of the registered voters in Pakistan. They could only produce better leadership to represent them at the federal level if people are able to make informed decisions. If they have security and protection of law, access to education, healthcare, water and sanitation, roads and telecommunications facilities, as well as awareness about individual and collective human rights and duties towards community and country.

8-8 Expanding Market

Businesses working on developing a long-term presence in an expanding market face many challenges to sustain their operations and meet the rising demand for basic goods and services. The growth opportunities for doing responsible business outnumber the odds in key sectors including energy, alternate energy, fast moving consumer goods (FMCG), pharmaceuticals, textiles, sports goods, livestock and dairy development, food chain business, banking, telecommunications, mining and industrial manufacturing. Good practice of CSR in Pakistan could more than double its exports to major

international markets, as well as see the development of joint ventures and strategic partnerships for the transfer of expertise and technology between international and Pakistani companies and businesses. The opportunities are immense, but the pace of their realization is contingent on peace, security, power supply and political stability in Pakistan and its surrounding areas.

9. The Philippines

By Lala Rimando

Business journalist, National Capital Region

Provided by Sixto Donato C. Macasaet (CODE-NGO)

How CSR is evolving in the Philippines

9-1 CSR in the Philippines

NILA, Philippines - Is the practice of corporate social responsibility (CSR) going beyond philanthropy and public relations? Filipino leaders in this field say more and more companies have moved on from merely talking and feeling good about their efforts toward society and environment and into embracing these in their business strategies.

To obtain a snapshot of how companies practice what they preach about doing good, the League of Corporate Foundation commissioned Newsbreak, an independent media group, to conduct a survey among large companies operating in the Philippines. This is a follow up to a similar Newsbreak survey four years ago, or in 2007.

We designed the survey to determine how the companies' CSR efforts are integrated into the entire organization, especially its profit-making aspects. To get a glimpse of how potentially sustainable are their CSR efforts, we also wanted to find out if companies exercise the same discipline in their CSR activities as they do with their main business.

The survey focused on three major areas: structure and leadership, planning and funding, and reporting and assessment. These questions help distinguish companies with genuine CSR programs from those that merely talk about it.

We asked where CSR is in their corporate structure, who initiates and sets CSR policy, and which department or division enforces it. We also asked what factors influence the allocation of annual budgets for their CSR activities, which among the company's functional groups shells out the money, and how they report, assess, improve and communicate what they do. Respondents answered either a printed or the online version of the survey. Management Association of the Philippines, a business group, encouraged their members, mostly C-level executives, answer it. We also conducted follow-up interviews.

Eighty one of the country's largest companies participated. Almost three-fourths generate more than P60 million revenues every year. They engage in varied business activities, including manufacturing to outsourcing, financial services,

extractive industries, non-profit, retail, and real estate. Businesses that operate in Mindanao, Visayas and Luzon are represented.

Here are the key findings:

1. Favorable enabling environment for CSR to thrive in Philippine companies remains because people at the top support and push it within the organization
2. Most of the CSR activities are still mainly philanthropy and event-driven, but employee volunteerism has become more prominent in the CSR designs
3. Results assessment, which is basis for further improvement, is generally weak while communication means still traditional
4. "Goodwill" is a main motivation for companies to engage in, report, and communicate about their CSR, but business economics motivate financial support

9-2 Push from the top

Pushing the CSR agenda within the organization has largely been attributed to the chief executive officer, according to the 2007 survey. At the time, the CEO initiated CSR 77% of the time. To augment funding of these activities, he or she shared discretionary funds, including his or her budget for dining out with clients and suppliers, golf tournaments and other perks, so the company could, for example, donate books or support the arts.

This year's survey captured how the CSR push has not been coming only from the top management executive but from way up. Family owners, sometimes the entire board of directors, directed the entire organization to engage in CSR. Collectively, the board directors and management executives initiated or introduced CSR to the entire organization 83% of the time.

"Our CSR is rooted in Filipino values, heightened by our religiosity [and the culture of] taking care of our family, including our employees," explained Lydia Sarmiento, former human resource head of integrated poultry producer Vitarich Corp and current president of the family foundation. "The CSR of our company emanated from the vision of the founders, particularly from my father's old paternalistic style of corporate leadership."

For the multinational companies, the main trigger came from their head office abroad. Local counterparts were required to engage in CSR 13% of the time. Global companies like Microsoft, IBM, McDonalds, Wyeth, Walmart, and L'Oreal comply with their main office's program directives, but consider local realities when they designed their activities here. These high-level individuals or groups set the companies' CSR policy 69% of the time, with some of them involved all the way to the preparation, development and implementation of the CSR plan. Eighty-two percent (82%) said CSR is part of their corporate vision and mission.

9-3 Community and economics

A prominent feature in the CSR process is the corporate foundation or the founding family's charity arm. Just like in the 2007 survey, the foundation is involved in all aspects of the CSR process in 2011. While the board and the top management officials planted the CSR seed when they initiated it in the organization, it is usually the foundation that brings the companies' CSR activities into fruition. After all, the community where the business operates, and usually the target of foundation work, was cited as the main beneficiary of the companies' CSR by a whopping 95% of the respondents.

Mutually beneficial relationship with the host community is a major measurement of CSR success. A hefty 70% of the respondents said community acceptance is their main goal. Another 22% considered "unhampered operations" important. These usually refer to companies that have operations in poor communities, most of them in far-flung areas. They aim to keep their equipment free from bomb blasts, their executives safe, among others. "The community is our best security," explained Senen Bacani, president of La Frutera, which has a vast banana plantation in a Maguindanao, a region in the south where rebels operate nearby. "Not only is there no disruption in our business operations, but in a way our good name is very important in the business community because it really adds more to the credibility of what the company is doing."

However, since most respondents have a foundation whose activities are devolved from the main business units, funding for CSR activities is dependent on business economics and realities. Practical issues influence the decision on whether these CSR activities will continue to receive financial support. "Profits from last year" was rated as the top motivation for receiving budget allocation by 27% of the respondents. In the 2007 survey, financial performance was only rated the third top reason.

Thus, aside from donations, foundations also leverage themselves by forging partnerships with external groups, including non-governmental organizations and multilateral financing institutions. Rafael Lopa, executive director of the corporate-led social development foundation Philippine Business for Social Progress, calls these partnerships "collective philanthropy."

"A lot of companies outsource the implementation of their CSR projects. For instance, "SMART Schools" (education program of a mobile phone giant) and Coca-Cola "Red Schools" (support for schools) are outsourced to PBSP. It emphasizes on collective philanthropy," Lopa explains. PBSP bridges the gap between the corporate members and the consortium's network of non-governmental organizations, as well as funders, including other governments and philanthropists like the Bill Gates.

Aside from funding, access to expertise that corporations do not possess motivates these partnerships. For example, real estate companies Ayala Land and SM Development Corp. partnered with World Wildlife Fund, an environmental and sustainability group, to design luxury projects in remote areas.

9-4 Embedding CSR

To determine how the mandate from the owners, board members, head office abroad, and the CEO trickles down into the organizational structure, we looked at how the different functional groups or business units participate in the CSR process.

First, the public affairs group. In 2007, this group was one of the main actors in how CSR is played out in the company. About 43% of the respondents then said the public relations group brought this up to the CEO, who in turn gave his or her blessing. It was deeply involved in the whole cycle, from planning to implementation to assessment.

In 2011, the public affairs continues its key role in how the company sets its CSR policy and executes the CSR plan. After all, "reputation and social investment" was rated by the respondents as the top motivation for the company to fund CSR. Twenty-seven (27%) of the respondents gave "reputation and social investment" the highest rating when they were asked what determines the decision on how much funding to set aside or allocate for CSR. A good image benefits the company in myriad of ways, including the crucial ability to attract the best talent and enjoy premium pricing, among others. Not surprisingly, 30% of the respondents said publicity is a measurement of success for their CSR.

Another top measure for success is CSR activities' contribution to "brand equity," according to more than a fourth of the respondents. CSR activities are usually a way for companies to associate positive emotions to the company or its products. To some, it is a strategy to project away from the usual attributes of corporations as just cold-blooded profit machines. Fourteen percent (14%) of the respondents said their sales and marketing group, which is mainly in-charge of managing "brand equity," receives annual budget allocation to support CSR activities. Achieving the companies' "revenue goals" is one of the key motivation why the company funds CSR. Twenty-eight percent (28%) of the respondents gave it a rating of "2" in a scale of 1 to 4, with 4 as the highest.

The operations group, which manages the companies' main product or service, is also involved. Almost one-fifths of the respondents said their operations group is given an annual budget allocation to include CSR. However, the respondents rated "support for operational targets" low when asked if it is a key reason for funding CSR. This could be attributed to the companies' tendency to separate environmental initiatives within their

business operations as separate from their CSR projects. John Victor Tence, vice president at Jollibee, showed how their new heat recovery water system in 402 stores bring annual energy savings equivalent to the yearly power consumption of 4,953 households. "This shows being 'green' but we see it as being frugal," he told an audience at the LCF-led CSR Expo in July. Environment-friendly practices in business operations have gained more following in the Philippines than consumer or shareholder activism, which are the main push factors in the West.

The Finance group is mainly in-charge of investors and stockholders who reward and punish companies who behave or misbehave not only in their host communities but in the way the entire business operates. However, the survey respondents said stockholders and investors are key players in CSR only 14% and 17% of the time.

Jesse Ang, the president of the International Finance Corp, the private sector financing arm of the World Bank, said these results reflected how generally weak the advocacy for the rights of minority shareholders is here in the Philippines. "Investors or stockholders have to watch their own back," he told Newsbreak in an interview in July.

9-5 Employee volunteers

While some large companies have made CSR one of the cornerstones of their business strategy, these leaders have few followers. "Philanthropy is still the dominant practice," Lopa admitted. Most corporate efforts remain focused on beneficiaries that have little to do with or are peripheral to how the companies create products or provide services. Most also seem to be event-driven. For example, a local financial services firm that does not have any policy, program or product that has the environment as theme regularly conducts tree-planting. A multinational consumer company conducts dengue-free activities to promote its anti-mosquito lotion.

These one-time, one-shot activities, as well as the usual check-giving ceremonies are rarely followed up on after the day's picture has been published in a Sunday paper or reported in the company newsletter. These activities are not likely to be sustainable. "With philanthropy, you never really lift them up from poverty," Sarmiento noted. "But CSR in the country is evolving from philanthropy to 'integrated' CSR."

One significant finding of the 2011 study was how the growing participation of employees in CSR activities has become a way to ease CSR into how the companies make profits. In the 2007 survey, employee volunteerism was less prominent when companies designed their philanthropy, event, or other CSR activities.

The 2011 study showed that 62% of the respondents have CSR activities that are

opportunities for their workers to do volunteer work. In the 2007, it was only 52%. The increasing involvement of employees is considered significant in the way CSR is transitioning from being an activity outside the main business functions into one that engages the people that makes the business run. Sixty percent (60%) of the respondents said their employees are a top reason why the companies have engaged in CSR.

This findings support various studies on how companies provide work-life balance to their employees by exposing them in "feel good" activities. Studies have shown that happy and motivated employees are more productive at work. Fifty-two percent (52%) of the respondents in this 2011 survey said employee satisfaction is a measure of their CSR's success.

Volunteering is innate among Filipinos. According to Martin Castaneda, the corporate communications head of L'Oreal Philippines, employees in the local unit of the France-based cosmetics and beauty firm prefer to include outreach programs as part of their company anniversary celebrations or other special company events. This is almost unheard of among their Western counterparts who thrive largely on bonuses and other monetary rewards.

The local unit of technology giant IBM takes volunteerism one step forward: the hours spent by employees doing volunteer work are included when each individual is assessed at the end of the year. "Each IBM-er is asked to at least commit to eight hours of service work. A number of us actually will go beyond eight hours. I've probably done 60 hours," shared country general manager James Velasquez. He stressed that "personal fulfillment" of each employee is the main incentive.

Aside from psychic rewards, employee volunteerism also provides labor free of cost. "There is the non-monetary contribution from employees," Bernardo Abis of Webcast Technologies Inc., a local technology firm offering location-based applications, said of their CSR activities that tap employees' support.

9-6 Goodwill and engagement

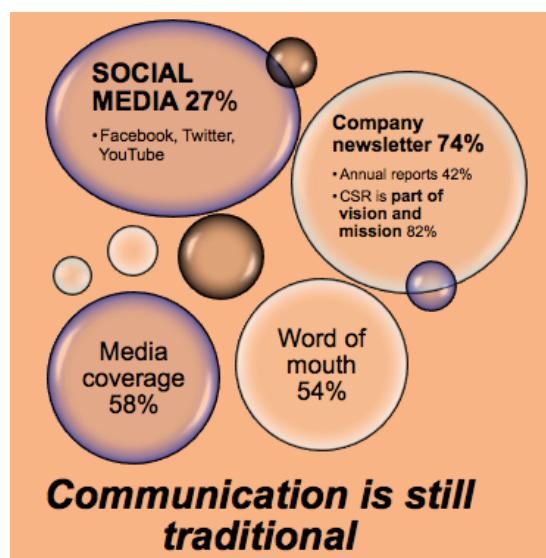
A hefty 75% of the respondents said "goodwill" is a key measurement of success. How goodwill and the other success indicators are measured, however, is another story. The survey noted that, while CSR has the support of and push from the top, and its functional business groups engaged in policy making, planning and implementation, the mechanism and process for gathering stakeholders feedback is weak.

Felino Palafox Jr, an architect and current president of the Management Association of the Philippines realized this when he answered the Newsbreak survey. "I know we have

a lot of worthy CSR projects, but I now I wonder how we [in Palafox Associates] are measuring our impact or what we gain, or understanding how we can improve," he shared. Companies regularly assess performance as part of their business cycle to check if the entire company and the individual functional groups are far or near their business goals. It also gives an idea of how the company can further improve itself and move ahead.

However, only 6% of the respondents conduct focus group discussions and 10% carry out formal assessments to determine if their CSR process or impact has been effective. Almost half claim they conduct either formal or informal surveys. Forty-six percent (46%) rely on anecdotes.

The general tendency not to complete the feedback and improvement loop that includes a bottom-up process could be attributed to the lingering focus on philanthropy, events, and other one-shot efforts. This dominant top-down approach is reflected in another key CSR process: how the companies report, communicate and encourage engagement. Tools used to announce, publicize, pass on or impart the companies' CSR activities are still the traditional one-way styles.



Company newsletter is used by 74% of the respondents and media coverage, 58%. Over half depend on word of mouth to get their activities known by others. Forty-two percent (42%) said they report about their CSR activities in their annual reports, usually as an additional information to their financial report to stockholders. Only a handful prepare a separate report that abide by the international guidelines for reporting and assessing business factors, including labor conditions, social and environmental impact of their operations, among others.

The 2011 survey added social media in the choices of communication strategies of the respondents. This choice was absent in the 2007 survey when this new online trend has not yet been introduced. This year's survey showed that only 27% of the companies in the survey are tapping Facebook, Twitter, including video sharing platform YouTube, as part of their communication strategy for their CSR activities.

Employees who participate in volunteer programs have already embraced it. With their digital cameras and smartphones, they take pictures or videos of themselves teaching kids, planting trees, or doing community work. Then they post these on their Facebook walls or Tweet to their online friends, generating worthy praises or otherwise.

Social media, a phenomenon only in the recent past, has been showing rosy prospects in the Philippines as a communication, feedback, and engagement tool.

CSR practitioners ought to take heed.

10. Tajikistan

By Zuhra Hakimova
NGO Jahon - Tajikistan

CIVIL SOCIETY ORGANIZATION IN TAJIKISTAN

10-1 Brief about Tajikistan

Capital: Dushanbe	Poverty level: 47%
Population: 7,190,041	Aid per capita \$: 58.8
Urban population%: 26, 5	Inflation: 6.4%
Population growth %: 1.4	Gender inequalities: 0,347
GDP per capita (PPP): \$2,200	Human Development Index: 125
Live expectancy years: 67	Literacy level: 99.6% as on 2009
External debt: \$ 2 billion 128 mln or 29.7% of GDP	
Unemployment: 2.2 % -official; 50-60% -unofficial.	
Corruption index by Transparency international: 22 grades and 157 position in the world	
Rule of law: law observation index – 4.7 (0-100); governance quality index - -1, 41 (from -2, 5 to +2, 5)	

The Republic of Tajikistan lies in southeast Central Asia, and its capital city is Dushanbe. The country borders Uzbekistan to the north and west, the Kyrgyz Republic and Afghanistan to the south, and the People's Republic of China to its east. It is a mountainous country with peaks of up to 7,495 meters; 93% of its territory is covered by mountains. Mountains cover about 93% of Tajikistan's territory, making large part of the country all but inaccessible in winter period and unsuitable for agriculture. With its fast-growing population, the country has increasingly low per capita farmland. Landlocked by Afghanistan, China, Kyrgyzstan and Uzbekistan, and 3,000 km from the nearest deep-sea port, Tajikistan is probably the most isolated country in the region, with the highest transport and logistics costs. In general, the country's road network remains underdeveloped.

Tajikistan is the poorest of the Former Soviet Union (FSU) states and has a rapidly rising population. After the collapse of the Soviet Union in 1991, national political order was not established and Tajikistan descended into five years of civil war,(1992 – 1997). Estimates range from 50,000 to over 100,000 killed, mostly among the civilian population. Over half a million were internally displaced or fled as refugees.

Tajikistan is a secular state. It is forbidden by law to involve religion in political matters like election campaigns or the work of state bodies. However, the state officially

celebrates several Islamic holidays and the governing elite increasingly use rhetoric employing Islamic symbols. . Although religious belief is an important part of Tajik culture, religious dogmas have no influence on politics or the law.

General presidential and parliamentary elections are regularly conducted in Tajikistan at national level through unhindered universal suffrage with secret ballots. However, international and local observers have characterized all past elections as fraudulent. There has been no change in presidential leadership since 1992, and the president-led People's Democratic Party (PDPT) has controlled the parliament since 2000 when it served as the basis for consolidating regional elites and the allies of the president under a single political party. Public trust in the election process remains very low. Regular election was held in November 2013 and Emomali Rakhmon once again has been elected as the president of the Republic of Tajikistan for the next following 7 years.

Tajikistan has continued to actively participate in regional organizations, such as the Shanghai Cooperation Organization (SCO), Collective Security Treaty Organization (SCTO), and Eurasian Economic Community (Eurasec).

Tajikistan's credibility as an economic and political partner has also suffered from the effects of corruption. Rampant corruption is among the major reasons for the low levels of foreign investment in the country's economy. Many government agencies and entire ministries have been blacklisted by international organizations and NGOs for misuse of donor funds. Cooperation with state agencies entails major risks.

10-2 Civil society in Tajikistan

The history of civil society in Tajikistan is unique and complex. It survived the Bukhara Khanate prior to the October Revolution (1917), the Soviet Union (1924–1991), and the post - independence period (1991 onwards). Tajik civil society has gone through the following three phases: Traditional public-driven organizations are primarily linked to culture, belief, and religion. Traditional Tajik concepts, such as hashar (joint neighborhood actions), jamomad or gashtak (people gathering to resolve community-level problems), and mahala council (voted or elected representatives of community members coordinating the processes concerning issues of social well-being), have lasted over the centuries and laid the foundation for modern-day civic voluntary activities. These organizational forms have influenced the development of political and social life at the local level. In the present-day Tajik society, many of these forms of voluntary work exist and function at the village and mahala levels. Civil society was able to develop further under Soviet governance than it had under the previous regime, particularly as a result of improved economic conditions and the population's wider access to education. The Soviet period witnessed the establishment of a wide set of

educational and cultural institutions that promoted literacy and provided professional training and employment. Indeed, social organizations of the Soviet period succeeded in mobilizing citizens and promoting volunteerism. Youth organizations, such as the komsomol (the Communist Union of Youth) and the Young Pioneers actively promoted public awareness on social issues and civic engagement among youth. Trade unions, cooperatives, and creative associations also articulated the interests of their members and provided forums for workers' issues. While these organizations were heavily dependent on the state and did not possess any real autonomy, they were successful in organizing citizens to resolve local issues.

The breakup of the Soviet Union and subsequent fracture of the society as a result of civil conflict had both negative and positive impacts on the development of civil society. Though the civil conflict led to deep human and economic losses, as well as restricted the space and resources available to civic organizations, it also provided crucial incentives for self-help among citizens. Many civic organizations trace their origins to solving everyday problems of governance in the absence of a working government, and some actively contributed to the peace process. Independence led to an evolution and emergence of new forms of CSOs that started to collaborate with the government in addressing political and socioeconomic issues of the country. These organizations grew in number quite rapidly. The registered number of nongovernment organizations (NGOs) was only 300 in 1997; this number increased to 625 in 2000, and reached 2,750 by 2006.

In Tajikistan today, civil society cuts across a wide spectrum of participants, ranging from local organizations (communal councils, neighbor's councils, etc.) to more formal, officially registered public associations. The Government of Tajikistan refers to NGOs also as noncommercial organizations (NCOs) as in other former Soviet countries. As of 2012, around 2,600 public associations registered with the Ministry of Justice in the country. Approximately 1,000 of these are estimated to be active. There are also 1,400 legally registered Village Organizations (VOs), 105 Social Unions for the Development of VOs (SUDVOs), eleven Associations of SUDVOs (ASUDVOs), over seventy Water Users Associations (WUAs), and more than 2,600 community-based saving groups supported by the Aga Khan Foundation (AKF) have registered. NGOs can be further classified in the following functional areas: 20% are involved in education, science, and culture; 17% in humanitarian and charitable activities; 11% are professional organizations; 28% are women's organizations; 5% are human rights organizations; 9% are involved with children and young people; 2% with ecology and the environment; and 8% in other sectors.

Most CSOs operate as public associations. Public associations continue to experience problems registering with the MoJ and its regional departments. According to the law, a

public association should be able to complete the registration process within a month; in reality, however, the process generally takes longer. Public associations must re-register if they make even minor changes to their bylaws, such as their addresses. Public associations complain of bureaucratic obstacles and increasing corruption and discrimination by the MoJ during the registration process. Registration for other types of CSOs, including public funds, is relatively simple, and can be completed through the one-stop shops established by the tax authorities in 2010. However, individuals interested in registering a public foundation should consult with the Tax Committee first, which generally sends them to the MoJ to register as public associations. Public associations are subject to sanctions if their activities do not conform to the laws, and the MoJ, tax committees, and other government agencies closely monitor and inspect their activities to verify compliance with the laws. During the last half of 2012, inspections against active CSOs, primarily those working on human rights or media issues, increased in frequency. Although political activities are not legally prohibited, CSOs are de facto forbidden from engaging in public debates on political issues or criticizing the government at the local or national levels.

A new Tax Code was adopted by the parliament and signed by the President of Tajikistan in September 2012 and have entered into force on January 1, 2013. The old Tax Code contained a provision requiring CSOs to calculate income and social taxes based on either the average monthly salary (which is determined periodically by the government based on survey data from various regions) or the actual salary, whichever is higher. The new Tax Code eliminates the use of average monthly salary, which was often higher than real CSO salaries, thereby reducing taxes for many CSOs.

In early October, the Ministry of Education (MoE) issued new instructions barring students from attending events organized or funded by international CSOs. In 2012, the Ministry of Labor became the third government agency, after the Youth Committee and the Women's Committee, to develop the necessary procedures to award contracts to CSOs under the Law on Social Orders.

Most CSOs lack knowledge of their legal responsibilities, but can get legal consultations from a network of over eighty lawyers in the capitals of the republic Dushanbe and four regions around the country.

Volunteerism among youth is limited due to the poor economic conditions in the country. Educated students in urban areas are more likely to understand the benefits of volunteering and participating in public campaigns.

CSO in Tajikistan are perceived neither by the government authorities, nor by the

citizens of the country as the integral institution in the system of public relations. Population of the republic, in generally, have no idea about essence and activity of NGOs, as their influence to the political and economic processes in the country is without being noticed. Guarded relation of the society to NGOs connected with the understanding of the nature of political system "modern Tajikistan" and sense by the population personal vulnerability against of the ruling regime.

Representatives of public sector in Tajikistan in the most cases are guarded by personal financial profit, but not public. Searching financial support Tajik NGOs solely prefer to work with western donors. Besides incompetence of Tajik NGOs to resolve set up objectives and inability to attract recourses, they are with no coordination therewith. Joint coordination of efforts and activities of participation in the various municipal projects are absent. Most of NGOs don't conflict with the government bodies, with the purpose to provide them problem-free existence and to escape pressure by the power.

The political leadership has granted civil society actors the opportunity to nominally participate in policy deliberation on some occasions. For instance, civic actors have actively discussed the president's proposed draft law on parental responsibility and many other social policies, particularly those related to women, youth and other disadvantaged groups, at various discussion meetings and roundtables. How much the input of civil society actors affects the decision-making process, however, is generally unclear. The political leadership neglects civil society participation on economic, political and security issues. Civic actors are also excluded from policy implementation and performance monitoring.

Weakness of civil society in Tajikistan depends to a large extent on economic problems. 1% of the population is rich, around 5% is middle class, 13-18% of population has sufficient income level due to remittances sent by seasonal workers, or active involvement into drug dealing. The rest part of the people currently lives below the poverty level.

Financial viability remains the biggest obstacle to CSO development in Tajikistan. CSO funding sources are far from diversified and many CSOs depend completely on international grants. Some civil society groups receive limited local funding through the corporate philanthropy efforts of a few commercial banks and cellular companies, like Agroinvest Bank, Eskhata Bank, Oriyonbank, and Tcell. CSO cooperation with businesses is rare, but growing slowly.

According to a survey 165 organizations conducted by TNNGOA in late 2012, 75 percent of funding comes from international donors, 18 percent from the government, and 7

percent from business and charity donations. State funding continues to focus on small-scale projects benefiting women and youth. In 2013, government support through the Law on Social Contracts totaled \$230,000, the same as in 2011 and 2012. Government procurement of social services is not transparent and promotes the establishment of government-organized NGOs (GONGOs).

The latest assessment conducted by the Aga Khan Development Network and Allavida, funded by the Department for International Development of the United Kingdom (DFID), shows there are about 10 major international funding sources from which CSOs have been able to access funding. The United States was ranked number one, with Canada in second, followed by Switzerland. However, there are no clear financial data that pinpoint the exact amount of funding invested into the various CSOs and their development activities since independence.

Critical shortage of financial opportunities and growing unemployment impels socially active part of the population to create NGO solely to resolve their financial problems, as the remunerations paid by western donors significantly exceed miserable local salaries and helps to survive for sufficient number of citizens. Therefore many Tajik NGOs are established to get one grant, whereupon stop its existence (activity). Competition for this limited funding is intense. Often, it is the donor's priorities—and not the recipient CSOs—that drive the decision-making process for which activities are prioritized.

Corruption deeply affected all stratum of the society, have spread to NGOs as well. For instance, contractors and grant-recipients suggest to Tajik staff working in the western donor organisation "kickback" in exchange for support their project. For successful and problem free implementation of their programs many NGOs "lure" state officials from the ministries and local authorities in exchange for their protection.

Activity of non government organizations is profitable for the authorities, as they take personal and economic advantage, as well as cooperation with NGOs local and international helps to resolve many local problems, which are under their responsibility. All these circumstance have created favorable conditions for intrusion of extraneous activity, which in turn doesn't promote strengthening of solidarity among public organizations.

On the other hand, Tajik society and Government officials more and more realize that "third sector" is an important element for the development of civil society, i.e. the whole set of non government organizations, promoting consolidation and aggregation of interests of various social groups in the society, because NGO provide ties between state governance and business activity, NGO plays role of catalyst for state

policy and country economic development, promote self management of the society, institutionalization of civic initiatives, formation of infrastructure for effective and efficient democracy.

Several mature coalitions, networks, and membership associations successfully engaged with the national government in 2013. The Coalition of Women CSOs successfully pushed the national government to finalize and adopt the law on domestic violence prevention in December 2012. The Adult Education Association is still advocating for a new draft law on adult education. Leading CSOs increasingly monitor public services and promote accountable and transparent governance at the national and local levels. For instance, ASTI monitors health services, and Rushdi Dehot has started monitoring land resource management. In August 2011 CSO Coalition "Transparency for Development" established by Jahon. 21 Tajik NGOs are members of this Coalition. Since 2010 Jahon lead a network CSO partnership for development effectiveness and since 2013 became a member of the working group (government, privet sector and CSO) on Global partnership to implement Bussan commitment on the country level. CSOs also increased their work on elections, transparency, and good governance issues this year. CSOs provided training and consultations to community members to increase voter turnout, campaigned for local council elections, advocated for increased access to information, monitored service delivery, participated in budget development, and monitored local budget implementation. In addition, CSOs organized local budget hearings, and parent-teacher associations were involved in monitoring education budgets. In August 2012, the Association of Independent Media (NANSMIT) and Media Alliance, in partnership with Reporters without Borders, advocated against the clampdown of online media.

One of the perspectives is the development partnership with the local business structures. Today many representatives of the Tajik business agree to participate in the public activity and actions and provide financial or natural recourses. Often brands of the famous commercial companies appear next to logos of international organizations when different forums, exhibitions and other events are organized. Progressive growth of corporate and social responsibility of business is going on. Privet companies and established privet charitable and public funds could be those one structures more adequate and efficient meet the requirements of the society. Present approach and mechanism of interaction has to be reconsidered.

At present, idea of the development of commercial activity by public organisation like consultations paid training course and other services become popular in Tajikistan aimed to provide permanent financial support and sustainability for NGO.