

Discussion papers

DP/127/2001

Decent Work  
Research  
Programme

**Civil Society, NGOs, and  
Decent Work Policies:  
Sorting out the Issues**

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Sorting out the Issues**

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ISBN 92-9014-639-7

*First published 2001*

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Requests for this publication should be sent to: IILS Publications, International Institute for Labour Studies, P.O. Box 6, CH-1211 Geneva 22 (Switzerland).

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## ***Acknowledgements***

The author would like to thank participants in the Industrial Relations Research Seminar at MIT, where a prior version of the paper was presented (Cambridge, Mass., May 15, 2001) for their comments as well as Archon Fung, Richard Locke, and Jean-Michel Servais for helpful feedback. The author would also like to thank Konstantinos Papadakis for excellent research assistance and Yoshika Hirata for collecting the data reported in the Appendixes.

## 1. *Introduction*

This rather abstract paper is motivated by an eminently practical concern. The International Labour Organization (ILO) has recently restructured itself to emphasize the notion of “decent work.” “Decent work,” as argued by the ILO’s Director General in his report to the 1999 International Labour Conference, “means productive work in which rights are protected, which generates an adequate income, with adequate social protection. It also means sufficient work, in the sense that all should have full access to income-earning opportunities.” (ILO, 1999: 13) Decent work initiatives are intended to encompass four interrelated policy areas: the promotion of fundamental principles and rights at work (which includes freedom of association and collective bargaining, elimination of forced labour, abolition of child labour, and elimination of discrimination), the creation of employment and income opportunities, the provision of social protection, and the strengthening of social dialogue.

While expressing a renewed intent to continue working on very traditional issues for the organization, e.g. how to reconcile the workers’ protection and security with economic performance, the new ILO mission also marks some clear discontinuities with the past. For example, the focus is now on work and not simply labour. Unlike the latter, work encompasses all kinds of productive activities but does not necessarily involve the presence of an employment contract.<sup>1</sup> Part of this strategic reorientation is also the exploration of new avenues for policy design and implementation. In particular, following the example of other international organizations like the World Bank, the OECD, and the European Union, the ILO now asks itself the question of what so-called “civil society” could do for decent work policies.

By incorporating representatives of employer and worker organizations as well as governments in its governance structure, the ILO already involves important parts of civil society within its own policy-making process and encourages member countries to do likewise. The virtues of participatory as opposed to top-down decision-making, recently discovered by other international organizations (see, for example, Bernard et al., 1998; Fiszbein and Lowden, 1999; EESC, 1999), are already an integral part of the organization’s culture. The issue of civil society involvement assumes, therefore, a specific meaning in the case of the ILO. It implies asking whether organizations other than trade unions and employer associations can make a positive contribution to the design and implementation of decent work policies and if so, exactly what kind of organizations should be involved, in what economic and institutional contexts, and for what type of policies.

Based on an extensive review of the literatures on civil society, NGOs, and other interrelated constructs (like, for example, social capital), this paper seeks to provide some initial and preliminary answers to these questions.<sup>2</sup> The definition of civil society is extremely vague. It designates a series of organizations intermediate between state and the market, without specifying exactly what kind of organization constitute civil, as opposed to “uncivil” society. Different authors have their own idealtype in mind when they talk about civil society, e.g. choral societies

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<sup>1</sup> The 1999 report stated that “because of its origins, the ILO has paid most attention to the needs of wage workers - the majority of them men - in formal enterprises. But this is only part of its mandate, and only part of the world of work. Almost everyone works, but not everyone is employed ... The ILO must be concerned with workers beyond the formal labour market - with unregulated wage workers, the self-employed, and homeworkers.” (ILO, 1999: 3)

<sup>2</sup> The “sample” of secondary sources analysed in this paper was initially generated through a keyword-based search on one of the leading on-line information databases. (The keywords used for this search were: “civil society,” “social capital,” and “NGOs.”) Many other sources were added later through a sort of “snowball” method, i.e. by reading the articles and singling out those entries in the reference lists that appeared most interesting and promising. Obviously, not all articles that have been written on civil society or NGOs have been included in this review. This, albeit not strictly impossible, would have been very difficult since the literature is immense. Nonetheless, I believe that the most important pieces of scholarship have been covered.

and bird-watching associations, social movements, interest groups, NGOs. Civil society is at the same time celebrated as playing a key role in the rejuvenation of grassroots democracy (Walzer, 1999; Cohen and Arato, 1992; Habermas, 1996) and vilified as contributing to the ascendance of totalitarianism (Berman, 1997). Perhaps the major lesson of the paper is an invitation to go beyond clichés and pay greater attention to details.

Civil society is a fashionable and evocative expression but it is also quite ambiguous. The fact that it is used to support opposite political and ideological agendas - from state retrenchment and privatisation to revitalization of grassroots politics - confirms this fundamental ambiguity. From an empirical point of view, civil society appears like an “overstretched concept” (Sartori, 1970), i.e. a construct devoid of a clear empirical base, which, exactly for this reason, gives rise to contrasting, and sometimes opposite, empirical generalizations. To talk of virtues and vices of civil society in general terms makes little sense. Civil society can be good or bad depending on the particular associations we designate with this collective name and on various contextual factors, including the characteristics of the policy problem we face.

If the literature on civil society is perhaps positioned at too high a level of generality to fruitfully inspire policy-oriented studies, the burgeoning literature on NGOs, i.e. associations intermediate between state and market and committed to problems of development, is much more down to earth and therefore, perhaps more useful for the purposes of policy analyses and recommendations. The growing interest in NGOs in development circles seems to be associated with these organizations’ so-called “competitive advantage” vis-à-vis public bureaucracies. Because of this *soi-disant* competitive advantage, various international donors and multilateral agencies shifted their attention from governments to NGOs as both the preferred channel of policy intervention in developing countries and the recipients of international aid.

The literature reviewed for this paper does not confirm these widely held views on NGOs. In fact, there seems to be no systematic evidence that NGOs or other societal associations are more cost-effective, innovative, or even participatory than governmental organizations. In more general terms, there seems to be little systematic evidence on NGO performance *tout court*. Most studies are, in fact, based on single case studies as opposed to structured comparisons. This makes it extremely difficult to control for the effects of contextual factors on positive/negative outcomes. When NGOs do perform well, this seems to be due to different policy styles. In some cases, NGOs are successful because they adopt their trademark mode of operation, i.e. a participatory approach to policy intervention. In other cases, and especially in the field of service provision, success of NGOs seems to be connected with very different characteristics, e.g. the development of solid administrative capacities.

Even though they are not necessarily more effective than governmental organizations, NGOs do play an important role in service provision. In poor countries, in fact, the network of state-provided services like health care, sanitation, or clean water, is largely incomplete and fails to reach the poorest strata of the population. In these countries, wondering whether it makes sense to involve non-traditional actors in decent work policies appears like a moot point as these organizations are in many contexts the sole providers of basic services.

Also, the literature surveyed in this paper suggests that some NGOs have come up with an especially interesting approach to the organization of poor people (particularly women in rural areas). The approach combines the provision of selective incentives for poor people to come together, creation of income opportunities through credit, “coscientization,” i.e. collective reflection on the determinants of the poor’s plight and on possible remedies, introduction of mutuality-based social security schemes, and collective action to improve the poor’s situation.

Micro-credit schemes are perhaps the most important ingredient in this integrated approach as they provide the basic motivation for the poor to organize and also the basic organizational infrastructure for mutuality-based social security schemes. These micro-credit schemes appear to spark a virtuous circle. Various studies show, in fact, that women participating in micro-credit improve their own and their children’s health conditions, are able to invest part of their surplus in



social security schemes, and in general, improve their position within the family and in society as a whole. In other words, creation of income opportunities through micro-credit leads to other desirable outcomes.

Besides micro credit-based schemes, the paper also illustrates several other cases of NGO's positive contribution to decent work policies, including the fight against child labour and the organization of health care schemes to cover rural communities. NGOs participating in these policies have very different characteristics. In some cases, like the case of child labour, their success is connected to their capacity to "work" the media and push the problem on the agenda of national and international policy-makers. In other cases, their success is linked to their capacity to serve particular communities. Once again, the precise characteristics of the policy problem matter in explaining NGO performance. All of these illustrations are based on "best practices" and it is unclear, based on the available research, how generalizable these best practices are. Nonetheless, they give an idea of what non-traditional social actors are able to accomplish in particular circumstances, either on their own or in collaboration with other actors.

The remainder of the paper is organized in three parts. Section two reconstructs the intellectual genesis of the civil society concept, analyses different understandings of civil society, and examines a series of empirical paradigms connected with these different interpretations. Section three focuses on NGOs, discusses both their "dark" and more "luminous" sides, and provides a series of cases studies of NGO involvement in decent work policies. Section four, which concludes, discusses the relationship between associations and state structures.

## **2. *The Notion of Civil Society***

The notion of "civil society" owes its recent popularity to the peaceful revolutions in Eastern Europe in the late 1980s (Keane, 1988). In the former Communist regimes of Eastern Europe, a myriad of non-state organizations like churches, unofficial unions, popular movements, etc. acted as a bulwark against the intrusiveness of the totalitarian state and contributed to the early popular mobilizations which led to the demise of those regimes. During the 1990s, "civil society" became the darling of both right-wing and left-wing political movements. The former advocated a minimalist role for the state and greater room for private initiative, including in non-for-profit fields. The latter believed that grassroots participation and social movements could rejuvenate the old leftist ideal of radical democracy.

This almost universal appeal of the civil society label is suspect. It points to an inherent ambiguity of the underlying concept (Seligman, 1992; Ehremberg, 1999). This ambiguity enables various authors to use the concept as a hook on which to hang their own favourite ideological ex votos. This section briefly reviews three major strands in the intellectual history of civil society, i.e. the Lockean tradition, the Tocquevillian tradition, and the more recent Habermasian approach. These three traditions share a basic vision of civil society as a nexus of organizations intermediate between the market and the state. They differ, however, in their understanding of exactly what organizations populate this intermediate sphere, in their conceptualisation of the relationship between civil society and the state, and in their overall assessment of the assets and liabilities of civil society.

While it is both interesting and worthwhile to reconstruct the intellectual genesis of a concept that has exercised considerable influence in various fields, there seems to be remarkably little in the theory of civil society that promises to be of practical interest for policy-makers in general, and more specifically for policy-makers concerned with the goals of decent work. From the point of view of policy-making, understanding whether civil society as a whole is good or bad, or what its optimal relationship with the state is, does not seem to be especially pressing or important. Much more important is, instead, being able to address more nuanced questions concerning whether or

not it makes sense to involve specific organizations in the design and implementation of particular policies, and if so, what organizations. With its incapacity to differentiate across organizations and even to acknowledge that not all intermediary organizations are “civil” (and some are far from it), the theory of civil society is not of much help in these more empirical endeavours. Regarded from the point of view of operationalization, civil society looks like an “overstretched” construct in the sense of Sartori (1970), i.e. a construct devoid of a clear empirical content, which, exactly for this reason, gives rise to contrasting, and sometimes even contradictory statements.

**(a) *The Lockean Tradition***

Three distinct intellectual traditions are mixed together in the notion of civil society. The first tradition, which I refer to as the Lockean tradition (even though it also includes authors such as Hegel and Marx) (see Ehrenberg, 1999), regards civil society as essentially a market society. According to Charles Taylor (1990), characteristic of this line of thinking is the idea that society has a life of its own, independent and even prior to political organization. In other words, society is composed of a self-standing sphere of pre-political activities, mostly of economic nature, with its intrinsic laws of functioning and transformation. Think, for example, of Locke’s views about the state of nature and how different they are from Hobbes’ (Locke, 1982). Locke’s state of nature is not in perennial war but is rather the state where people form families, create bonds, work, and most important, accumulate their property. However, the enjoyment of property is difficult in the absence of centralized authority. For this reason it was necessary for men to exit the state of nature, concentrate executive power in a central authority, and thus create the state. This state is a limited state. Unlike Hobbes’, it is far from having a right of life and death over its subjects and only exist in so far as it is effective in ensuring and protecting the enjoyment of natural rights, especially the right to property.

For Hegel, civil society is the negation of the abstract ethical moment of the family (Hegel, 1991). If the family is the reign of self-forgetfulness and unity, civil society is the reign of particularity.

“In civil society, each individual is his own end, and all else means nothing to him. But he cannot accomplish the full extent of his ends without reference to others; these others are therefore means to the end of the particular [person]. But through its reference to others, the particular end takes on the form of universality, and gains satisfaction by simultaneously satisfying the welfare of others.” (Hegel, 1991: par. 182, p. 220).

In other words, civil society is the reign of political economy as described by Adam Smith, in which each individual is in competition with everyone else for the satisfaction of his egoistic needs. In stubbornly pursuing his own self-interest, the individual comes to realize, however, that he is not alone, that in order to make his own interest he has to interact and collaborate with others (e.g. through exchange and commerce or through the division of labour). In this way, he starts transcending his own individuality and recognizing himself as part of a whole. A role of mediation in this process of self-transcendence - which is fully accomplished when the individual identifies with the state - is played by the corporations, i.e. “not only societies of people sharing the same trade or profession, but any society which is officially recognized by the state but is not itself a part of the political state.” (Hegel, 1991, Translator’s Notes, p. 454). The corporations begin the process of conscious identification between private and public ends. They render immediately perceptible to individual members the “inherent likeness” of their private goals and thus, make them aware of their commonality (Hegel, 1991, par. 251, p. 270). In other words, the corporations initiate the process of unification among members of society - a process which will be completed and perfected by the state.

Marx's view of civil society shares important features with both Locke and Hegel's. Like Hegel's, Marx's civil society is the reign of unbridled competition among individuals solely preoccupied with their material interests. Like Locke, Marx, too, believed that the state was an emanation of civil society in the sense that it came after and was responsive to civil society. The state's own purpose was the protection of civil society and especially, the enjoyment of private property within it. Unlike Locke, however, Marx's view of civil society was much less bucolic. Civil society was the reign of exploitation of a minority of propertied over the majority of those without property. Marx did not agree with Hegel that the state had the capacity to free civil society from its inner antagonisms. On the contrary, he argued that the state's own function was that of forcibly stabilizing the unstable (and unjust) set of social relations characterizing civil society. In other words, Marx's theory of civil society turned the work of both Locke and Hegel on its head and developed a powerful critique of (bourgeois) civil society by depicting it as the reign of inequality, exploitation, and unfreedom.

The liberal views on civil society have inspired an ample (and mostly American) empirical literature on interest group pluralism. This shares with Locke a normative commitment to limited government. Consistent with the liberal paradigm, this research programme is also premised on the assumptions that markets are the most efficient regulatory institutions and that any meddling with their smooth functioning is bound to generate both inefficiencies and inequities.

Scholars like Mancur Olson (1982) and Theodore Lowi (1969) argued a few years ago that allowing organized groups free access to public policy-making would transform the public sphere into a giant "pork barrel" since these groups would strive to achieve private gains at the expense of the common good (and national treasury). This, in turn, would not only diminish the effectiveness of economic governance but might even be undesirable from the normative point of view of democratic legitimacy, since affairs of common concern would be dealt with "behind the curtains" by small cliques unaccountable to the public at large.

Olson (1982) described advanced societies as populated by rent-seeking organizations lobbying governments for particularistic legislation aimed at serving their specific needs (e.g. introducing subsidies for particular industries or restricting domestic and international competition). Over time, the presence of these groups "slow[s] down a society's capacity to adopt new technologies and to reallocate resources in response to changing conditions, and thereby reduce[s] the rate of economic growth." (Olson, 1982: 65). Lowi (1969) criticized the ample delegation of decision-making power from the legislature to semi-autonomous administrative agencies. Due to this devolution process, administrative power tends to be "captured" by powerful and well-organized interest groups (see also McConnell, 1966; Schattschneider, 1960). In a similar vein, Buchanan and other theorists of the "public choice" school (Buchanan, 1980) argued that the involvement of groups in policy-making multiplies the opportunities for rent-seeking and social waste.

The reasoning of the public choice school is especially important since it extends to group behaviour the basic assumptions and analytical tools of economic theory. Public choice theory assumes, in fact, like classical political economy, that human behaviour aims at the maximization of expected returns. This "egoistic" behaviour leads to socially-beneficial outcomes (only) because market competition has the capacity of transforming rent-seeking behaviour - a natural attitude of individuals consisting in the search for returns above opportunity costs - into profit-making, which is socially-beneficial and constitutes the driving force of society. In fact, market competition dissipates potential economic rents by attracting other entrepreneurs in previously sub-competitive markets. When, however, the mechanisms of market competition are perturbed, i.e. every time governments step beyond their minimal role of protecting individual rights and enforcing privately negotiated contracts, opportunities for rent-seeking are created. Based on these premises, public choice theory argues that the cooptation of groups in public decision-making would have no beneficial effect but would only institutionalize rent-seeking (Buchanan, 1980; Buchanan and Tullock, 1962).

These arguments emphasize the downside of opening the public policy-making process to “civil society” or any other group, including labour and employer organizations. In fact, labour and employer organizations are often among the preferred polemical targets of this kind of literature. Even when they do not explicitly advocate, like public choice does, a “minimalist” role for public policy, implicit in these views is the idea that the appropriate locus for policy-making is government, that interests are effectively mediated by explicitly political organizations and institutions (e.g. political parties and parliaments) with no need for extra-institutional interventions, and that group participation reduces the effectiveness and/or legitimacy of public policy.

**(b) *The Tocquevillian Tradition***

The second strand of theorizing on civil society is strictly associated with French social thought, and particularly with the work of Tocqueville. This aristocratic thinker was deeply concerned with the democratic tendencies of the modern era. He believed that democracy could easily degenerate into despotism. In fact, democracy, i.e. a political system in which citizenship is independent from economic or social status, had the effect of severing the legal/customary ties that bound subordinates to their superordinates in society. This process produced a myriad of atomistic individuals incapable of opposing any resistance to the central state’s domination over their lives. Tocqueville was, in turn, influenced by Montesquieu, for whom absolute monarchic power, without a functioning and autonomous aristocracy, would soon degenerate into tyranny (Ehremberg, 1999). From Montesquieu, Tocqueville drew the idea that power needed to be checked and limited by a series of *corps intermédiaires*. While for Montesquieu, these were the estates, the autonomies, and the privileges of the old aristocracy, for Tocqueville, who wrote at a time in which a pure and simple return to the era of aristocratic privilege was inconceivable, the bastions against despotism and unbridled individualism were the secondary associations of civil society.

Civil society as a solution to the threats of democracy was an idea Tocqueville arrived at by observing the functioning of the American democracy. One of the traits of the American people that Tocqueville admired the most was, in fact, their excellence in the “art of association”:

“Americans of all ages, all conditions, and all dispositions constantly form associations ... Whenever at the head of some new undertaking you see the government in France, or a man of rank in England, in the U.S. you will be sure to find an association.” (Tocqueville, 1956, Vol. 2: 114).

For Tocqueville, secondary associations were important for essentially three reasons: 1) By creating areas of self-governance autonomous from (and capable of resisting to) governmental intervention in private affairs, groups tempered the tendency (inherent in modern democracies) towards the concentration and centralization of governmental power and thus, provided a much-needed safeguard of liberty against despotism. In other words, groups provided a functional equivalent to the intermediary associations of the aristocratic regimes which held monarchic power in check. 2) Groups were also important because they tempered the tendency towards rampant individualism (which, according to Tocqueville, is implicit in democratic societies) and socialized individuals into setting aside the staunch pursuit of individual self-interest and embrace instead “self-interest rightly understood,” i.e. “an enlightened regard for themselves” which “constantly prompts [individuals] to sacrifice a portion of their time and property to the welfare of the state” (Tocqueville, 1956, Vol. 2: 130). 3) Associations were necessary to provide a bulwark against the “tyranny of the majority.” This of the “tyranny of the majority” is a familiar theme in American political theory. In fact, it can be found in James Madison’s work as well, i.e. in the work of one of the fathers of the American constitution (Federalist Papers, 1961). The “tyranny of the majority” expresses the preoccupation of the propertied classes that democracy could generate negative redistributive consequences for them. In fact, the majority of propertyless could use political

power, acquired democratically, to infringe on their rights, i.e., more specifically, to took their property away from them or implement redistributive reforms of other kind. To limit these negative consequences, central power needed to be restrained in various ways, for example through administrative decentralization, through separation of powers so that different branches of government would be in conflict with one another, or by creating a sphere of autonomous private associations that would be impermeable to state power and would thus limit it.

Some of the basic insights of Tocquevillian social thinking - particularly Tocqueville's view that by collaborating with others within associations individuals develop a generalized attitude towards cooperation in other spheres of life as well (see Elster, 1993) - have been taken up by the research paradigm on social capital. The basic insight in this literature is that particular societal contexts tend to generate cooperative attitudes within their members. In other words, individuals are more willing to spontaneously engage in cooperation with others for the provision of various collective goods that are otherwise unattainable through individual action when they are socialized in particular contexts (Putnam, 1993: 167, 177). Societies in which, thanks to dense associational networks, individual perceive themselves as political equals and engage in "horizontal" (as opposed to "vertical") exchanges foster the emergence of "norms of generalized reciprocity" and "reduce incentives to defect, reduce uncertainty, and provide models for future cooperation (Putnam, 1993: 177).

The major causal mechanism in the social capital literature is socialization in an associationally rich social milieu. In other words, because they are embedded in networks of cross-cutting associations, individuals learn to appreciate the importance of cooperation (i.e. that they have to sing with others in a choral society or play with others in a soccer team) and tend to spontaneously extend these cooperative attitudes to both the political and economic spheres. Individuals socialized in more atomistic and segregated environments, instead, never develop the same attitudes (Banfield, 1956).

Consistent with these theoretical premises, Putnam (1993) explained the marked difference in both institutional and economic performance between Northern and Southern regions in Italy by pointing to long-entrenched differences in social capital (mostly operationalized as associational density). While the Northern regions have a lot of voluntary associations, the Southern regions have much fewer of them and are blighted with "fragmentation and isolation, and a culture of distrust." (Putnam, 1993: 15)

A little cottage industry on the effects of social capital on various socio-economic outcomes in various countries is presently emerging among academics. One of the favourite themes in this literature is that social capital is not simply inherited, as argued by Putnam, but created by the state through appropriate public policy (see, for example, Levy, 1999, and Evans, 1997). This literature appears certainly relevant for empirical research on decent work.<sup>3</sup> In fact, it seems plausible to hypothesize that social capital could affect decent work as a whole in the same way in which it arguably affects economic growth and institutional performance. The problem with the notion of social capital, however, is that it is not fine-grained enough for policy-specific investigations. Social capital does not differentiate among different social associations. It often even ignores that associationalism might have a "dark side" (Portes and Landolt, 1996) (think, for example, of juvenile gangs, the Mafia, or even terrorist groups). What matters for social capital is, in fact, associational density, not the presence or absence of particular social organizations, let alone their features. Instead, empirical research on decent work policies is not simply (or even primarily)

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<sup>3</sup> For application of the social capital concept to the development field, see Brown and Ashman (1996), who argue that by favouring community participation, NGOs promote the creation of social capital, and Serra (1999), who examines the relationship between various indicators of social capital and state-level health care in India and finds that the positive relationship disappears once literacy controls are inserted; see also Weijland (1999). For World Bank's elaborations on the concept of social capital, see World Bank (2000).

interested in ascertaining whether associationally-rich societies generate, all other things equal, higher levels of decent work than others (supposing we can come up with an aggregate measure of decent work) but rather whether particular societal groups should be included or not in the policy making process associated with each of the decent work strategic priorities. It is not clear whether the concept of social capital can really contribute to these more detailed policy investigations.

**(c) *The Habermasian Variant***

The two traditions briefly reviewed above, one associated with Locke and other liberal thinkers, the other with Tocqueville, share one important element. Both are theories of limited government.<sup>4</sup> In both cases, in fact, the power of government is seen as a threat to freedom. In this sense, both are eminently liberal doctrines (see also Friedman, 1962). The third, and more recent, intellectual line of thinking on civil society, associated with the work of Jürgen Habermas, is not concerned with limiting state power but rather with revitalizing it. In the Habermasian tradition, civil society is the sphere in which a process of unconstrained communication, i.e. communication aimed not at influencing or gaining power but at reaching understanding with others on issues of common concern, takes place. The logic of unconstrained communication typical of civil society is very different from the logics regulating both government and the economy, each conceived by Habermas as self-contained systems guided by their own regulatory mechanism or “steering media,” i.e. power and money, respectively. Unconstrained communication taking place within civil society organizations (typically, social movements) periodically renews the political debate and forces the official circuits of power, i.e. government and political parties, to be attentive and responsive to new issues arising at the periphery of the system (Habermas, 1996: ch. 8).

Beginning with the seminal The Structural Transformation of the Public Sphere (1962), the work of Habermas has been concerned with the particular institutional conditions through which a politics of deliberation, i.e. political power inspired and legitimated by rational discussion among free and equal individuals, becomes possible in advanced societies. For some time, his position has been pessimistic (Habermas, 1962). In fact, Habermas seemed to believe that the emergence in the sphere of institutional politics of mass parties and large organized interest groups had irrevocably turned the liberal ideal of deliberation (see Mill, 1991) into nothing more than an utopia. In mature democracies, the constituting ideal of deliberation, i.e. that of unconstrained discussion aimed at discovering the common good, seemed to have been replaced by pressure politics and political bargaining - practices through which each group, while pursuing its own special interest, sought a temporary accommodation with other groups (see also Schmitt, 1985). Recently, however, Habermas’s position has changed (see 1996). While a politics of deliberation is, according to Habermas, technically impossible in many socioeconomic fields - because these fields (e.g. the economy and public administration) need to be steered through specialistic codes and knowledge which are poorly attuned to democratic discussion - the ideal of deliberation is not just utopia. Unconstrained communication or deliberation takes place at the periphery of the political system among the associations of civil society. On the one hand, these associations contribute to identify new problems and then pass them along to the actors of institutional politics (i.e. political parties, parliaments, and courts) which process and transform them into policies (see also Habermas, 1992; Cohen and Arato, 1992). On the other hand, they discuss and critically evaluate the results of governmental action and thus, contribute to keep alive the ideal of democratic legitimacy, i.e. that collective decisions are formulated as if all those affected could rationally consent with them.

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<sup>4</sup> The fact that the concept of civil society is associated with theories of limited government contributes to explain why this concept was so popular among East European dissidents. The latter’s adoption of the term greatly contributed, in turn, to its renaissance in the West as well.

These views have inspired a portion of the literature on social movements.<sup>5</sup> Authors like Offe (1995) and Cohen (1985) have forcefully argued that social movements are an indispensable element of a well-functioning democracy. In fact, not all societal demands are effectively processed through institutional channels (the political party system, the interest group system, parliaments, and executives). New issues are periodically brought to public attention by grass-root movements acting in the field of “non-institutional politics.” The demands these social movements advance concern new values (e.g. environmentalism, feminism, etc.) whose recognition should, in the intentions of those who mobilize, be potentially binding for everybody. These groups raise awareness and build social constituencies around these emerging values particularly by trying to capture the attention of the mass media. After gaining enough legitimacy, the movements pass on the new demands to more traditional channels, e.g. parties and parliaments. One of the characteristics of “new” social movements, which differentiates them from the “old,” is, in fact, is their “self-limiting character.” In other words, these movements “abandon [...] revolutionary dreams in favour of the idea of structural reform.” Also, they “do not seek to abolish the autonomous functioning of political and economic systems.” (Cohen, 1985: 664).<sup>6</sup>

The views on civil society inspired by Habermas’ work seem to be characterized by overconfidence in the regulatory capacities of both the state and the market. Introducing elements of democracy in those realms, implies, according to Habermas, “damag[ing] their proper systemic logic and therewith their ability to function” (Habermas, 1992: 444). Strangely enough for a theory which presents itself as a celebration of the role of civil society (see also Cohen and Arato, 1992), this view *de facto* greatly restricts the concrete space for civil society action. According to this view, in fact, civil society organizations need to limit themselves to exercising a vigilance function. Ultimately, government and the market need to be left free to operate according to their own logics as they are more efficient than the poorly structured organizations of civil society.

“The responsibility for practically consequential decisions must be based in an institution. Discourses do not govern. They generate communicative power that cannot take the place of administration but can only influence it. This influence is limited to the procurement and withdrawal of legitimation. Communicative power cannot supply a substitute for the systematic inner logic of public bureaucracies. Rather, it achieves an impact on this logic ‘in a siegelike manner’”. (Habermas, 1992: 452)

Habermas’ confidence in the “systematic inner logic of public bureaucracies” is, however, in contrast with various strands of empirical research which show how public bureaucracies become more effective, rather than less, when they open themselves up to the participation of civil society organizations (Cohen and Rogers, 1994; Hirst, 1994; Sabel and O’Donnell, 2000). If this is true, the role of civil society associations could in some cases perhaps be much ampler than the one

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<sup>5</sup> The literature on social movements is immense. A great part of it is concerned with explaining the conditions under which movements emerge and successfully mobilize (McCarthy and Zald, 1977; Jenkins, 1983; Klandermans, 1988; Klandermans and Tarrow, 1988; Tarrow, 1994).

<sup>6</sup> Social movement mobilizations presuppose that policy-makers are made accountable to the public by the mechanisms of political competition. However, even non-democratic governments now experience growing difficulty in insulating themselves from societal demands. These demands are at least initially raised not by domestic constituents, but rather by trans-national advocacy groups based in advanced countries (Keck and Sikkink, 1998). These groups are especially active in the field of human rights, including labour rights (Otto, 1996; Scholte et al., 1999; Smith et al., 1998; Bohman, 1999). Thanks to technological innovations, associations communicating on-line with other associations in other parts of the globe develop public awareness of particular problems (e.g., respect of basic labour and environmental standards), mobilize the citizenry both in their own and other countries, and induce elected politicians (concerned with re-election) as well as companies (concerned with corporate image and sales) to take appropriate corrective actions at the local, national, and even international levels.

envisaged by Habermas. Rather than limiting themselves to “the procurement and withdrawal of legitimation” or to influence public bureaucracies from outside “in a siegelike manner,” these organizations could perhaps play a much more direct role in the design and implementation of public policies.

Overall, the literature on civil society, both in its more abstract and more empirically oriented variants (perhaps with the exception of the literature on interest groups, which emphasizes the risks of group involvement in policy-making), appears to be too vague to fruitfully inspire research aimed at understanding whether it makes sense to involve particular social organizations in the design and implementation of specific labour and social policies. We now turn to another kind of literature, that on the role of “Non-Governmental Organizations” (NGOs) in development. This literature seems to be animated by very concrete intents, e.g. understanding whether the involvement of particular NGOs reduces poverty, promotes micro-enterprise creation, favours self-empowerment, etc. Exactly for these features, it *prima facie* appears as especially promising for the purposes of empirical research on decent work.

### 3. *NGOs and Development theory*

The growing popularity of the NGOs in the development field seems to be strictly associated with the emergence in the last twenty years of a so-called “New Policy” Agenda (Robinson, 1993; Moore, 1993; Clayton et al., 2000). This agenda is, in turn, motivated by growing scepticism about the role of the state in development (Sanyal, 1994) and by concerns with the negative consequences of the “rent-seeking” behaviour of state bureaucrats (see Buchanan and Tullock, 1962; Buchanan, 1980).<sup>7</sup> Underlining the New Policy Agenda - an agenda which has deeply influenced both bilateral and multilateral actors - is the idea that private sector initiatives are intrinsically more efficient than public initiatives, so that private forms of intervention should be seen as the preferred carriers of policies aimed at increasing social welfare (Edwards and Hulme, 1996a: 961). Not only are NGOs regarded as more efficient, innovative, and dynamic than state bureaucracies,<sup>8</sup> they are also seen as important for the institutionalization of mechanisms of democratic accountability similar to those which emerged in the liberal democracies of the West about one century ago. Democracy, it is argued, flourishes if it is sustained from below by a vibrant civil society (Putnam, 1993). NGOs contribute to keep elected officials “on their toes” and are therefore key ingredients in the process of democratic development in developing countries.

The definition of NGO is not very different from that of a civil society organization and, if anything, equally vague. Streeten (1997: 194), for example, defines an NGO as follows:

“NGOs or private voluntary organizations [...] are non-profit seeking organizations; some religious, others secular; some indigenous, others foreign; some professional, other lay. Their principal aim is to contribute to the reduction of human suffering and to development in poor countries. They include community associations, cooperatives, church groups, trade unions, environmental groups, consumer associations, women’s groups, credit unions, and peasant

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<sup>7</sup> These trends are not just confined to development discourse. In fact, similar doubts about the regulatory capacities of the state have been expressed in advanced countries as well (see Cable, 1995; Van Deth, 1995; Andrews, 1994; Frieden and Rogowski, 1995).

<sup>8</sup> Consider, for example, the following passage from a World Bank document: “NGOs have shown that their programmes can reach the poor often more effectively than programmes managed by the public sector, especially when NGOs are brought into the early stages of project preparation. Subject to government sensitivities, Bank policy encourages task managers to involve NGOs where appropriate - particularly grassroots and self-help groups among the poor - in project identification, design, financing, implementation, and monitoring and evaluation.” (World Bank 1992: 12, cited in Riddell and Robinson et al., 1995: 87)



leagues, as well as large international organizations like Amnesty International, OXFAM, and Friends of the Earth. They are part of the national and global civil society.”

Just like civil society organizations, NGOs are intermediate organizations positioned between the state and the market.<sup>9</sup> A distinction which is often drawn in the NGO literature is that between NGOs properly speaking and “Grass-Root Organizations” (GROs) (Edwards and Hulme, 1996). GROs are membership-based organizations. NGOs are professionally-staffed organizations aiming at “contribut[ing] to the reduction of human suffering and to development in poor countries” (Streeten, 1997: 194). They do this in various ways, e.g. by funding projects, engaging in service provision and capacity building, contributing to awareness raising, promoting the self-organization of various groups. These organizations “serve” their constituencies but are not the “representatives” of (i.e. accountable to) their constituencies. The equivalent of an NGO in advanced countries would be a charitable organization engaged, for example, in initiatives for the relief of the poor. While serving the poor, the leaders of this organization would not be necessarily elected by the poor nor would they be formally accountable to them. While NGOs are not accountable organizations, part of their mission is often that of stimulating the creation (through funding or other means) of grassroots organizations (Howes, 1997a). While mindful of this distinction, the remainder of this section will use the term “NGO” to designate both membership and non-membership based organizations.<sup>10</sup>

### **Data on NGOs**

There is a diffuse perception that the number of NGOs has grown considerably in the last few years. In contrast with pessimistic views lamenting the decline of associationalism in the US and other rich countries (see Putnam, 1995), Salamon, for example, (1994) talks about an “associational revolution” going on in various parts of the globe. The available data appear to support Salamon’s view. The number of international NGOs increased dramatically (245 percent) in the past 20 years, from 13,232 NGOs in 1981 to 45,674 in 2000 (see Table and Figure 1). Equally, if not more impressive (530 percent) was the growth in the number of International Governmental Organizations (IGOs), which started, however, from a much lower baseline.

These data only document the rise of International NGOs. A similar growth seems to have taken place among domestic NGOs as well. Here, however, the available data are much more impressionistic. According to Edwards and Hulme, (1996: 1), who report information gathered from various sources, the number of NGOs registered with the government of Nepal rose from 220 in 1990 to 1,210 in 1993. In Bolivia, NGOs increased from around 100 in 1980 to 530 in 1992; in Tunisia from 1,886 in 1988 to 5,186 in 1991. In Kenya there are 23,000 registered women groups alone. Tamil Nadu, a state in India, has 25,000 registered grassroots organizations. (Streeten, 1997: 195) In Bangladesh, there were in 1994-95 986 registered NGOs (i.e. legally entitled to receive foreign funds) and about 7,000 unofficial NGOs (Sobhan, 1998: 23). Besides the growth in number, there seems to have been a growth in size of at least some development NGOs. In Bangladesh, for example, Bangladesh Rural Advancement Committee (BRAC) has a staff of 12,000 people and reaches 3 million people with its policies.

<sup>9</sup> Vakil (1997) discusses different definitions of NGOs. See also Defourny and Develtere (2000).

<sup>10</sup> Another distinction is that between Northern and Southern NGOs. The former are based in advanced countries in the North and operate in Southern countries, either directly or by funding Southern NGOs and Grass-Root Organizations. In the last few years, Southern NGOs have been increasingly able to directly raise money in Northern countries.

This growth in the number of NGOs seems to be closely associated with increases in financial support for NGOs made available by both bilateral and multilateral development agencies.<sup>11</sup> The portion of Official Development Assistance (ODA) grants and grant-like contributions which was channelled through NGOs grew from 450 million dollars in 1985-86 to 1,151 million in 1999, i.e. a 156 percent increase. In percentage terms, this corresponds to a rise from 2.43 percent of total grants to 3.39 percent (see Table 2). These figures are likely to grossly underestimate the amount of financial resources made available for NGOs. Contracts between bilateral development agencies and NGOs are in some cases not included in the percentage of ODA that flows through NGOs (see Papadakis, 2001, for more on this).<sup>12</sup> This might explain why, according to the OECD figures, countries like the United States or Germany do not seem to channel any portion of their ODA through NGOs (see Table 3). From other sources, (i.e. Robinson, 1997) we know that the US donor agency, USAID, is especially keen on the use of contracts - something that resonates with recent experiences with "privatization" of public services in the USA. Besides channelling official development funds, NGOs prove increasingly capable to raise their own, private funds. In 1999, according to the OECD accounting, private voluntary agencies raised 6,684 million dollars in development funds, i.e. much more than the amount of bilateral ODA allegedly channelled through NGOs (1,151 million dollars). Also, privately raised funds grew 115 percent between 1985-86 and 1999. In 1999, these funds amounted to almost 12 percent of bilateral ODA - a sign that a non-insignificant amount of development money is now raised through private as opposed to public channels (see Table 4). It is also worth noticing that this increase in the significance of privately-raised funds came at a time in which official development money stagnated. In fact, as is shown in Table 4, ODA funds declined by 14.4 percent between 1993 and 1997. Only recently, the amount of (nominal) ODA has returned to levels comparable with (even though still slightly lower than) those of 1993.

### **3.1 The Dark Side of NGOs**

It is now commonplace in development discourse and practice to credit NGOs with a series of comparative advantages. In particular, it is claimed, NGOs are more innovative, flexible, and cost-

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<sup>11</sup> "NGOs that are not dependent on official aid for the majority of their budgets are now the exception rather than the rule." (Edwards and Hulme, 1996: 3)

<sup>12</sup> The available data on NGO funding (both of OECD and World Bank source) present a variety of problems which need to be taken into consideration when making generalizations or comparisons (Papadakis, 2001). These problems include: 1) The definition of an NGO varies markedly from country to country and this may lead to over- or under-estimation of the NGO phenomenon. Many organisations recognized as NGOs in some countries (like Japan) would be regarded in other countries as quasi-governmental organizations. Some countries, like Canada, include universities, community colleges, and professional associations in the NGO sector. This could explain why Canada seems to channel almost 10 percent of the country's Official Development Assistance (ODA) through NGOs (Table 3); 2) Funding for NGOs is handled by two or more government departments in some countries and there is little or no consolidation of figures (the problem seems to be particularly acute in Japan); 3) In some cases, contracts between bilateral development agencies and NGOs are included in the percentage of ODA that flows through NGOs. In other cases these figures are not included. Therefore, flows channelled through NGOs may be under reported in some cases; 4) Some countries (for instance Germany, all English-speaking states and some Swiss Cantons) make provision for the tax deductibility of charitable donations. These countries and others also exempt charitable organisations from certain retail, employment, and property taxes. Tax concessions represent government contributions to NGOs, but these are rarely acknowledged; 5) Several international Organizations like the World Food Programme and the UNHCR are increasingly subcontracting NGOs as executing agencies. Others like UNICEF, IFAD and UNIFEM make major contributions to southern NGOs. This also contributes to the global under-reporting of NGO funding; 6) Estimates of NGO's own fund-raising activities are highly speculative. In most countries the figures reported are little more than guesses.

effective than government organizations. Also, NGOs are believed to be especially good at reaching and mobilizing the poor in remote rural communities and at adopting participatory processes in project implementation. These participatory procedures “empower” the recipients rather than treating them as mere “clients.”

Unfortunately, however, these claims do not seem to hold systematic scrutiny. There is no systematic evidence that NGOs are more cost-effective than government institutions (Tendler, 1989 and 1997; Sanyal, 1994; Riddell and Robinson, 1995; Edwards and Hulme, 1996: 936; Hulme and Edwards, 1997; Bejar and Oakley, 1996; Biggs and Neame, 1995). Sometimes NGOs are more cost-effective (mostly because, by paying their executive less than government officials, they benefit from lower overhead costs). Sometimes they are not. Also, NGOs generally fail to reach the poorest of the poor (Sanyal, 1994: 42; Arellano and Lopez, 1994). The ones who tend to benefit most from NGO programmes are overwhelmingly the not-so-poor (Streeten, 1997; White, 1999). There is also some evidence that NGOs are as internally hierarchical, inflexible, and bureaucratic as government organizations (Fyvie and Ager, 1999; Uphoff, 1995; Carroll, 1992). NGOs fail to learn from one another and promote innovation because they often compete with one another for donor funds (Riddell and Robinson, 1995: 92; White, 1999: 323; Sanyal, 1994: 41). Finally, because they are increasingly dependent on foreign donors, NGOs become less and less accountable to local recipients.<sup>13</sup> This contributes to decrease their legitimacy in the eyes of the recipient communities and negatively affects their programmes (Hulme and Edwards, 1997; Stirrat and Henkel, 1997; Shah, 1996; Van Der Heijden, 1987; Gordon, 1996).<sup>14</sup> In fact, the need to comply with donors’ concerns with effectiveness and sustainability of projects focuses the activities of the NGOs on clearly measurable and easily reachable short-term targets at the expense of long-term impact (Desai and Howes, 1995).<sup>15</sup>

One of the major problems with the literature on NGOs is the lack of systematic comparisons of NGO and governmental programmes in structurally similar environments. Most evaluations are based on single case studies of particular programmes. Some evaluations are even performed by the NGOs themselves - certainly not a guarantee of impartiality (Riddell and Robinson, 1995). Success or failure of these programmes may be attributed to various contextual variables, not just government or NGO management, and the effects of these other variables are impossible to control in the context of single case studies. One of the few structured comparisons is Yadama (1997). This study compares two government-promoted and two NGO-initiated community forestry programmes in the state of Andhra Pradesh, India. The main findings of the study are quite interesting: (a) Participants in governmental programmes tended to benefit more than those in non-governmental programmes. (b) In NGO programmes, unlike governmental programmes, participants from upper economic classes tended to unduly influence the project without any

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<sup>13</sup> Gordon (1996) explicitly discusses the links between some of the major founders of NGOs in the US, like the Ford Foundation or the Rockefeller Foundation, and the CIA. He argues that these close links diminished the perceived legitimacy of these two foundations’ actions in India.

<sup>14</sup> See Atack (1999) for a discussion of different criteria for gauging NGO legitimacy.

<sup>15</sup> A study of 95 East-African NGOs (Gariyo, 1996) confirms many of these concerns. The main findings are as follows: First, both the design and the implementation of development programmes are largely dominated by external development agencies. Fieldwork revealed that Southern NGOs (SNGOs) were heavily influenced by the agendas of Northern NGOs and that poor people had no control over their material and institutional conditions. Second, development programmes tended to not target structural inequalities. Poverty alleviation programmes, for instance, targeted women as beneficiaries, but did not tackle the societal sources of women’s subordination. Third, accountability was mostly to international donors and Northern NGOs. Fourth, high levels of foreign funding deprived Southern NGOs of a strong base in their own societies and contributed to reduce their flexibility (for example, donors and Northern NGOs did not allow switching funds among alternative projects).

participation in programme activities. (c) Consequently, participants with lower economic status tended to fare better in governmental programmes than in non-governmental programmes.

### *Critiques of NGO Action*

Besides raising doubts about the effectiveness and efficiency of NGOs, some authors also discuss the broader political consequences of NGO action. An important accusation raised against NGOs is that of collateralism with power. To make themselves more acceptable to governments, NGOs - it is argued - have abandoned their early concerns with structural reform/transformation and have retreated in the more hospitable and less politically contested territory of service provision.

A blistering critique of the role NGOs in development is that of Petras (1999). NGOs are not agents of self-empowerment or grass-root democratisation, but rather “troy horses” for a new form of imperialism. In particular, NGOs are accused of being economically and ideologically controlled by Western donors whose funds are conditional on the NGOs not seriously challenging the status quo; of being politically unaccountable to the local populace and solely accountable to external donors; of creating a new petite bourgeoisie of NGO bureaucrats benefiting from rich salaries and opportunities for international travelling while genuinely grass-root, radical movements are deprived of potential leaders;<sup>16</sup> of actively contributing, with their emphasis on “self-help,” to the dismantling of state services and protections; and of being completely ineffectual in addressing the problems (e.g. eradication of poverty) which they are concerned with.

These criticisms are based on a study of NGO effects in Bolivia (Lopez and Petras, 1994). The growth in the number of NGOs in this country was linked with the socially destructive effects of structural adjustment policies and of the retrenchment of the Bolivian state. In fact, between 1980 and 1985 real average family incomes declined 28.5 percent in Bolivia (Lopez and Petras, 1994: 558). According to the authors, NGOs performed as badly as public agencies in reaching the poor. The growing flow of international donor funds made them extremely bureaucratic. They succeeded, however, in depriving genuine grassroots organizations representing the poor of both sources of funding and potential cadres, as well as in forcing some of them to give up on their transformative agendas and embrace projects which were more attuned with the maintenance of the status quo. Also, the NGOs’ growing importance as service providers allowed the state to assume even less responsibility for the welfare of their populations. In other words, citizenship rights were transformed into voluntary services with the result of creating territorial imbalances between regions well served by NGOs and others where NGO action was more sporadic and ineffective (see also Wood, 1997).

Similar concerns on the role of NGOs are voiced in Bangladesh as well (Hashemi, 1996; Wood, 1997). NGOs in Bangladesh - it is argued - are mostly concerned with accountability towards foreign donors, and much less with accountability towards the poor people who are the recipients of their action. This makes the NGO emphasis on “participation” little more than rhetoric. According to Hashemi (1996), NGOs like BRAC have replaced their previous model of “class struggle” with a strategy of collaboration and “class harmony.”<sup>17</sup> In other words, NGOs have given up their attempts at organizing the poor as collective actors, sanitized their activities, and chosen the path of delivering economic assistance - something clearly less threatening for government and the dominant classes. In addition, since NGO directors and high officials belong to the same social milieu as top government officials, new hierarchies and new lines of dependence are created. In

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<sup>16</sup> Riddell and Robinson (1995: 91) point out that the growth of NGOs in poor countries deprives public bureaucracies of skilled personnel. Most Northern-based NGOs are, in fact, able to pay substantially higher salaries than governments.

<sup>17</sup> According to Sobhan (1998: 24), this might have been in response to the government’s threats of withdrawing NGO registration with the NGO bureau (registration which enables NGOs to receive foreign funds) in case NGOs pursued the path of grassroots mobilization.

particular, NGOs in Bangladesh are not exempt from the problems of clientelism which characterize the whole national culture (Wood, 1997: 91). It is not infrequent for NGO officials operating in particular villages to become “new patrons,” i.e. to establish personalistic relationships with their “clients” (see also World Bank, 1996: 35 and White, 1999: 316). These dynamics make genuine participation of the poor in NGO activities very difficult.<sup>18</sup>

The argument that NGOs and grass-root associations may be contributing, in some contexts, to the creation of new clientelistic practices resonates with an interesting study of the Popular Neighbourhood Organizations in Buenos Aires, Argentina (Cavarozzi and Palermo, 1995). Neighbourhood-based associations are grassroots organizations that were created as early as 1930 in order to address social problems such as housing, health, and infrastructure - problems connected with the massive migration towards major cities. These associations sought to compensate for state inaction or absence. More specifically, they provided education/health services as well as physical infrastructure (e.g., drinking water systems, residential gas installations, paved streets).<sup>19</sup>

The collapse of the Argentinean state, which begun in 1975-1976 and intensified in 1981-1982 (due to the joint effect of the external debit crisis and internal fiscal crisis) provoked serious consequences for the urban popular sectors. The state retrenched even further, employment became precarious, the social security system was significantly weakened, state subsidies were dramatically reduced, and real wages declined steadily after 1975. Decreasing living standards were ultimately instrumental in bringing about the collapse of the military regime.

In the following years, many believed that democratisation and decentralization of state power at the municipal level would strengthen popular participation in local organizations. However, Cavarozzi and Palermo (1995) argue, strategies of party clientelism adopted by the neighbourhood associations sabotaged the whole project. Association leaders monopolized the supply of services and used this monopoly to strengthen their own political power. Expectations about grassroots participation never materialized. Local participation through neighbourhood associations declined in Buenos Aires and the urban poor now see these organizations with distrust and indifference.<sup>20</sup>

Another kind of critique which is sometimes raised against NGOs is of feminist vintage. Even though many NGO programmes target women and seek to empower them through credit provision and income opportunities, many feminists argue that these projects fail to address the structural causes of female subordination and ultimately, reproduce the structural conditions which generate the subordination itself. Criticisms of this kind are often levelled at Grameen Bank-type micro-

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<sup>18</sup> Similar critiques are raised in the context of transitional economies like Kazakhstan and Uzbekistan (Luong and Weinthal, 1999; Abramson, 1999). Based on an analysis of the energy sector in Kazakhstan, Luong and Weinthal (1999) argue that local and international NGOs have deliberately turned their attention away from politically sensitive issues and focused instead on issues which allow them to win easy support from international organizations and donors. Abramson (1999) argues that the donors' agenda of creating a Western-type civil society in Uzbekistan has failed. Rather than increasing the accountability and efficiency of the state, NGOs and other civil society organizations might be contributing to increase societal fragmentation.

<sup>19</sup> Sobhan (1998), writing about NGO action in Bangladesh, provides an interesting twist on the interrelated subjects of clientelism and NGO accountability. Like many other critics of NGOs, he acknowledges that NGOs in Bangladesh are mostly accountable to foreign donors, rather than to their local constituencies. He regards this situation, however, as an asset rather than a liability. At least - he argues - NGOs are accountable to someone. Government officials, instead, are only accountable to local patrons and the traditional political economic elite. In other words, widespread clientelism seems to have muted the mechanisms of accountability tied to political competition. In this situation, the fact that important socioeconomic actors, like the NGOs, are forced to respond to external actors (i.e. the donors) contributes to insert a (vicarious) element of accountability in the system.

<sup>20</sup> For opposite views on the implications of administrative decentralization in Latin American, presented as an opportunity for the renaissance of grassroots democratic politics, see Reilly (1995). See also Lopes de Carvalho (1998) for similarly optimistic views on Brazil.

credit programmes (see *infra* and Fernando, 1999; Todd, 1996 for a discussion). Humphreys (1999) focuses on an NGO-programme in Thailand which seeks to provide income opportunities for rural women by increasing the market potential of these women's "traditional skills," i.e. their dexterity in the art of silk and cotton-textile weaving. The author argues that programmes of this kind, quite common throughout Thailand and elsewhere, not only fail to challenge the traditionally exploitative relationships in which women are embedded, but also, because they do not aim at developing new skills, ultimately do little to save women from urban migration and/or prostitution.

The North-East of Thailand is one of the poorest areas in the country. Many families integrate their meagre incomes by sending off daughters to work in urban areas. According to a study of household income in Northeast Thailand, 28 percent of family income is remitted by absent daughters (Humphreys, 1999: 56). In this context, ThaiCraft - an NGO which was set up in Bangkok in 1992 by expatriate Japanese, British, and American women, for the most part the accompanying partners of male breadwinners - seeks to help about 60 artisan communities composed of women to improve the marketability of their traditional hand-made textile products. The expatriate and export markets are the major focus. In fact, ThaiCraft cooperates with other NGOs like Oxfam and Taidcraft and governmental agencies like the British Department for International Development in creating marketing opportunities for the artisan communities' textile products. It also organizes an annual sale directed at the domestic (expatriate) market.

This NGO project, just like other Grameen Bank-type of programmes, is based on the assumption that women already possess the skills they need to earn a living wage (e.g., sewing, weaving, embroidering, painting, and dying). Therefore, little or no training is provided. Goal of the programme is to provide women with improved marketing opportunities, thus lessening the need for urban migration and prostitution.

Humphreys (1999) argues, however, that the impact of Thaicraft-like programmes is questionable. Since their products are directed at the foreign or expatriate markets, these women are made dependent on the highly unstable market for luxury goods. Should these markets collapse, these women would be left with no other marketable skills and they would have no alternative to immigration in urban communities. Moreover, the focus on traditional occupations and skills tends to reinforce the village stereotypes about the role of women. In fact, staying at home, under the authority of the patriarchal family, is seen in Thailand as a sign of respectability and marriageability for women. Also, this kind of productive arrangement is compatible with traditional forms of female reproductive labour, such as child-care, cooking and washing, and therefore, according to the author, contributes to maintain Thai women in a position of subordination.

### **3.2 The More Luminous Side of NGOs**

The critical views summarized above help temper the sort of uncritical enthusiasm and unconditional approval of NGOs (often equated with "civil society" tout court) which sometimes circulates in development circles (e.g. Bernard et al., 1998). On the other hand, even though NGOs have many drawbacks and are often not nearly as good as they claim (or are believed) to be, their role in development remains important and significant. For one thing, NGOs often substitute for the state in the provision of basic social services (immunization, health care, basic education, clean water, etc.).

Charitable organizations and other NGOs have always played this role in poor countries. In the last few years, however, it seems that the gap-filling role of NGOs has expanded, even though no clear data are available to substantiate this claim. The state is, in fact, quite weak in poor countries. Data on central government tax revenues as percentage of GDP - here used as a proxy for general state capacity - show that the poorer the country, the lower the state's extractive capacity. Central government tax revenues throughout the 1990s amounted on average to 13.64 percent of GDP in those countries that the World Bank classifies as low-income (s.d.= 8.14), 17.55 percent in lower

middle income countries (s.d.=6.82), 20.89 percent in upper middle income countries (s.d.=4.25), and 25.53 percent in high income countries (s.d.=6.03) (see Appendix 1).<sup>21</sup>

In developing countries, state structures often have to compete with alternative centres of power - chiefs, landlords, bosses, and strongmen of various nature - to mobilize the public and win peoples' allegiances (Migdal, 1988). Due to both financial and administrative problems, state services often do not reach the bulk of the populace, particularly the millions living in rural areas. Church-based NGOs provide 30 percent of health care services in Malawi, equivalent to 12 percent of health care expenditures. In Ghana, 40 percent of all health contacts are through NGOs. NGOs contribute 35 percent of health services and 40-50 percent of educational services in Kenya (Robinson, 1997: 74). Use of NGOs as service providers appears to be especially diffuse in sub-Saharan Africa, due to low state capacities in this region as well as the World Bank's preferential use of NGO for service delivery in this area (Robinson, 1997). Quite well documented is also the substitution role of NGOs as service providers in Latin American countries like Bolivia and Chile (Robinson, 1997; Bebbington, 1997 a and b). Here the growing importance of NGOs seems to be linked with the need to counterbalance the negative social consequences of structural adjustment programmes. For example, Chilean NGOs took up many former state functions in the provision of health care. In fact, following the military coup, the national health care system was overhauled and the health sector much was remodelled along the lines of the neo-liberal model with an expensive and sophisticated private system for the richer segments of the population, and a residual state system for the rest. In this environment, especially church-based NGOs rediscovered the role they used to play in the colonial period, namely that of basic social service providers (Salinas and Solimano, 1995).<sup>22</sup>

In some countries, NGOs have been important actors in bringing about the return to political democracy.<sup>23</sup> Once again, the Chilean experience provides an illustration (Loveman, 1995). Following the military coup of 1973, most of the intellectual, cultural, and political opposition which did not go in exile (or was killed), found refuge in NGOs and other human rights organizations. These were heavily financed by international donors and were generally supported by the Catholic church. For obvious reasons of political opportunity, these organizations did not take an openly oppositional political stance but preferred to deal with less controversial policy issues like poverty alleviation, social security provisions, water sanitation etc. In some cases, forms of pragmatic cooperation between the NGO sector and particularly the municipal governments were established. Following the return to democracy in the country, Chilean NGOs have been experiencing a brain drain as intellectuals, researchers, etc. who had previously found refuge in the

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<sup>21</sup> Data on local government tax revenues as percentage of GDP - i.e. on the extractive capacity of decentralized state institutions - display slightly different trends. In the 1990s, the average local tax burden was 4.2 percent of GDP (s.d.=2.72) in low income countries (data on only three countries, India, Kenya, and Mongolia were, however, available), 1.98 percent (s.d.=1.61) in middle low income countries, 4.01 percent (s.d.=3.95) in middle high income countries, and 6.19 percent (s.d.=4.41) in high income countries (see Appendix 2).

<sup>22</sup> According to Bratton (1989), who bases his analysis on the African continent, as the post-colonial African state detached itself from rural development and concentrated on guaranteeing the basic law and order regulatory functions, NGOs in the form of churches and missionary societies became the principal providers of health and education services in Africa. In India, too, according to Sen (1999: 329), economic liberalization and structural adjustment programmes forced the state to withdraw from many public services. Also due to donors' pressures, these services were subcontracted to the NGO sector. Sen (1999) refers to this sector as a "shadow state."

<sup>23</sup> Strengthening liberal democracy by strengthening "civil society" is one of the explicit goals of particularly the US donors and contributes to explain their strategy of attention towards the NGO galaxy. See Hearn (1999) and Blair (1997) for more on this.

NGO galaxy re-enter the sphere of open politics, take up government positions, or return to their previous occupations.<sup>24</sup>

Finally, NGOs in many countries do have a certain experience in reaching out and working with local communities. In some cases, even though not in all cases (as it was observed above), this has turned out to be a comparative advantage for NGOs vis-à-vis government bureaucracies. This comparative advantage materializes particularly when NGOs involve their local recipients, and especially the poor, in the design and implementation of their projects and when they succeed in overcoming the various obstacles, both political and psychological (e.g. deference vis-à-vis established authorities) which hamper the poor's self-organization and participation in policy-making (Ghai, 1988; Streeten, 1997: 198; Edwards, 1999). When they are able to stay close and accountable to the poor, NGOs have good chances of implementing programmes that are qualitatively different from those implemented by command-and-control government bureaucracies in similar circumstances.

**(a) Government- vs. NGO-promoted programmes in Indonesia**

An interesting illustration of the difference between government-initiated and NGO-initiated development projects in the context of Indonesia is Pinney (1983). This paper contains a rare structured comparison of government-initiated and NGO-promoted projects in particular policy areas. As such, it allows us to appreciate the difference in policy-making styles.

The first couple of projects aimed at the rehabilitation of disabled people. The government project, implemented in several cities, consisted in providing facilities for rehabilitation, training field workers to staff and run the rehabilitation centres, and equipping the centres with certain industrial machines. The disabled were expected to reach the centre by themselves, practice their skills on the available machines, and learn at their own pace. Neither loans nor counselling were provided at the end of the rehabilitation period for starting small businesses. The NGO programme, unlike the government programme, was implemented only in some villages in central Java. It was, however, much more people-oriented than its government counterpart. The disabled were helped to choose a trade, training in the trade was provided, and at the end of the rehabilitation period, credit, as well as basic training in how to run a business, was made available.

The second set of projects had to do with village water supply. The government projects were run centrally. Contractors were sent to the localities selected for installation. They would often come from outside the local community and would often bring their own labour force with them. There was little or no contact between contractors and local villagers. Not only the latter were not involved in the project, they were not even involved in the maintenance and repair of the installed facility. The NGO programme was only initiated in villages where the villagers were ready to participate in the construction of the facility, e.g. by collecting stones, digging and filling ditches, and carrying pipes. Also, villagers were trained in maintenance and reparation.

The third set of projects concerned the setting up of agricultural and fishery cooperatives. Those cooperatives which were set up by government were formed by land and boat owners. Their main goal was the purchasing of agricultural and fishery inputs at more favourable prices and the buying back of the final products at pre-established floor prices. Sometimes loans were made available for cooperative members. These members were individually responsible for repayment. Also, the staff of the cooperatives was appointed and not elected. The cooperatives which were set up by NGOs

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<sup>24</sup> It is somewhat of an irony for Chilean NGOs that at a time in which the state appears to be much better-disposed towards them than the past, the state itself is largely replacing them as the recipient of international aid (Loveman, 1995). A similar role for NGOs in the democratization process has been reported for countries as diverse from one another as Bangladesh (Sanyal, 1991: 1369) and South Korea (Pak, 1998). In Bangladesh, just like Chile, it seems that NGOs sheltered political activists at a time (the late 1970s) of political repression.



sought to reach well beyond land and boat owners. Their main goal was the provision of credit to poor people to start small businesses. To reduce the risk of default, credit became available for members after they could prove they could save for a certain period of time. Also, responsibility for loan repayment was not individual but collective, in the sense that all members of a credit group were jointly responsible for repayment.

The fourth and final set of projects had to do with banking. The government's banking programme was run by banks which were located in cities. Paperwork and application procedures were quite complicated and as such, quite arduous for poor and illiterate people. Also, loan guarantees and collaterals were almost always required. The banking project of the NGO was run in villages. Application procedures were simplified. No collateral was required and the members of the credit group were jointly responsible for the credit record of each member (see *infra* on micro-credit). Overall, throughout the four policy areas, NGO projects appeared to be more attentive to the needs of their constituents than their government-initiated counterparts.

**(b) Organizing Poor Women: The Cases of the WWF and Saptagram**

An interesting experience, which shows how particular NGOs can promote the organization and "empowerment" of the poor, particularly poor women, through a combination of micro-credit, awareness-raising, training for group members, and the constitution of group-based micro-insurance schemes for health care and other social services is that of the Working Women Forum (WWF) in India (Ramesh, 1996, see also Ghai, 1988: 7). Poor people do not organize spontaneously. Organization first, and active involvement later, require deliberate policies from committed leaders.<sup>25</sup> The WWF is interesting as this organization seems to be able to maintain active member involvement at all stages of the programme and at all levels of organization. In the end, the organization itself becomes literally owned by the members who, like in the case of the Grameen Bank (see *infra*), purchase shares of the capital.<sup>26</sup> In general terms, membership-based organizations like the WWF appear better able to cope with the problems of downward accountability (i.e. accountability towards local constituents) than other NGOs.

The WWF was established in Madras, India in 1978. Its activities now cover three Southern States: Tamil Nadu, Andhra Pradesh, and Karnataka. Its membership is of 200,000 women. The WWF acts as a grassroots union of poor working women. Its main strategy is not simply to help but organize poor women and enable them to challenge the exploitative and oppressive power structures which are responsible for their subordination. The activities of the Forum fall into three main categories: credit, family welfare services, and training. In particular, within the credit programme (supported by the Indian Cooperative Society for Women) all beneficiaries become shareholders of the association. The disbursement of loans is to groups, not individuals. Similar

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<sup>25</sup> Howes (1997b), who studied the attempt at organizing membership-based organizations in the Nebbi District in Uganda, showed that poor people were less likely to join a group than the rich. When they joined, the poor were less likely to be able to influence the activities which were undertaken by the groups; and those among the poor who did participate were likely to benefit less than others.

<sup>26</sup> A case similar to the WWF and perhaps better known is that of the Self Employed Women Association (SEWA) in India (see Krishnaswami, 1985; Ghai, 1988: 6; Sanyal, 1994: 47-8; Spodek, 1994). SEWA, established in 1972, represents a pioneering attempt at organizing self-employed poor women. The membership of SEWA was initially drawn from street vendors, casual labour, and service providers. It later expanded to include agricultural workers and home-based workers in rural areas. Just like the WWF, SEWA, too, acts as a union of informal workers. It seeks to negotiate higher wages or rates for casual and home workers. It lobbies government for the extension of protective legislation. At the same time, it provides credit for its members, promotes the formation of worker cooperatives, seeks to enhance the skills of its affiliates through training courses, and provides mutuality-based social protection schemes especially in the fields of health care, child care, and maternal protection.

to other micro-credit schemes (see *infra*), this element of collective responsibility facilitates repayment by bringing in social pressure. Each team elects one member to be the leader. This person is entrusted with the responsibility of ensuring the prompt repayment of loan instalments by the whole group. In exchange, she receives a larger loan than the others. The whole group is blacklisted if a single member makes a default in the repayment schedule.

The organizers and staff employed by the WWF are previous beneficiaries of the credit programme. Their task is to evaluate the repayment capacity of potential beneficiaries and form local groups of borrowers. For this purpose, they conduct inspections of particular work sites and monitor the credit record of the applicants. The credit programme, like other forms of micro-credit, seems to be financially viable. The repayment rate is 98 percent. The income from loans fully covers the programme's direct operating costs as well as 69 percent of its total costs. The "social infrastructure" which is set up for credit purposes (i.e. the formation of women groups) is also used to support training initiatives and to administer social services schemes based on contributory principles.

The government conducts a periodic audit of the WWF. In this way, "upward" accountability is ensured. The organization is, however, even more successful in promoting "downward" accountability. The members are involved at every stage, from project formulation onward. The personnel is recruited from the ranks of previous members of the various credit groups. In this way, they are expected to possess a deep knowledge of the problems they are expected to tackle together with their local constituents. As mentioned above, all beneficiaries of the credit programmes become shareholders of the cooperative, and women from the grass root level are represented at the board level.

The experience of Saptagram, a Bangladeshi NGOs funded by Northern NGOs such as Oxfam as well as bilateral donors such as SIDA (Swedish), NORAD (Norwegian), and DANIDA (Danish), is in many ways similar to that of the WWF and helps us reconstruct the difficult path through which some NGOs seek to organize poor women in rural areas and encourage them to take charge of their lives (Howes, 1999). If statistics and rankings were available in this sorry field, poor women in rural communities would probably figure at the bottom of the Bangladeshi social scale. Not only are these women, just like their male partners, economically oppressed by landlords and moneylenders (who control both land and financial capital and often monopolize political power in the village), their oppression also extends to the realm of the family.

The Muslim practice of *purdah*, which remains a strong cultural ideal in rural villages, confines a woman within the homestead, preferably within the inner courtyard, and prevents her from being seen by males other than those belonging to the inner family circle. If she needs to travel, the woman has to cover herself up from head to toes and preferably travel at night. These rules prevent women from engaging in "visible" work activities. For example, bringing home-grown agricultural products or hand-made textile products to the nearest market for sale constitutes a violation of *purdah*. In case families are too poor to observe *purdah*, women are expected to work without cash payment in domestic services or perform the same tasks as men for lower wages.

Women are economically dependent on the family and their male partners. Economic dependence generates, in turn, social dependence. Women subordination is further reinforced by practices such as the need for married women to leave the paternal house and join the husband's family network, by the tendency for marriages not to be officially registered - which makes repudiation of the wife easier to accomplish - and by the diffuse custom of dowry for girls. Women have little access to property and cash. Even though they are legally entitled to a portion of their father's heritage, few women actually exercise the right. Economic dependence, insecurity, and lack of educational opportunities often make them willing to tolerate abuses and domestic violence (Howes, 1999: 4-5).

In this context, Saptagram, founded in 1976 by a female college professor from an upper-class Muslim family, seeks to encourage poor women to join together and organize. Initially, Saptagram does that by providing economic (i.e. selective) incentives for organization (see Olson, 1964). In

other words, in the tradition of all micro-credit programmes (see *infra*), women are encouraged to form groups (their size varies from 15 to 30 people), elect a chairperson, establish a schedule for meetings, and start saving. Once a group has demonstrated its capacity to manage its funds, Saptagram makes credit available for the group. This money is used to finance small ventures of a predominantly collective nature.

Initially, women join the groups pushed by economic necessity, i.e. because they need the money that the groups are capable of collectively generate. In the second stage, however, the Saptagram's staff begins the work of "coscientization," (Freire, 1972), i.e. they initiate discussions with the various groups in which the problems of domestic violence, dowry, divorce, polygamy, access to property are discussed. Women are encouraged to reflect on their own condition and find ways in which collective action by the women themselves can improve their lot. At this stage, the NGO staff also offers basic literacy services and sometimes even legal training, to help the women understand what they are legally entitled to. The next step is the aggregation of the women groups into wider bodies at the village level and the constitution of broader federal bodies at the district level. These higher-level structures are expected to act as advocates for the women's rights in local politics.

In 1994, Saptagram reported the constitution of 1,300 groups for a total of 38,000 members. Field research conducted by Howes (1999) revealed, however, that this figure is probably exaggerated as many groups disband after a very short period of time and that a more realistic membership count is around 25,000. Also there seems to be wide variation in the degree of internal participation within the groups. Targeting only poor women seems to be achieved only imperfectly. It is reported that wealthier women (with access to land or money) are also included in the groups (Howes, 1999: 10). These women are probably attracted by the availability of credit. In some cases, these wealthier women tend to resist the group's adoption of policies and activities that challenge the women's "honour." In similar situations, the groups are quietly disbanded and then reformed without the subjects in question. This might explain the high degree of group mortality. In spite of these limitations, group activities seem to make a difference for the women lives. Availability of credit increases the women's sense of self-respect and their social position in the family. In some cases, women groups are reported to have successfully resisted attempts at divorce without monetary compensation, family violence, and requests of dowry for unmarried daughters (Howes, 1999: 13).<sup>27</sup>

### **3.3 NGO Contribution to Decent Work Policies**

The examples reported above, of NGO contribution to the provision of basic social services, to the restoration of political democracy, and to the collective organization and empowerment of oppressed social groups, already go a great length towards documenting the NGOs' potential role in decent work. This section complements the previous by presenting three additional case studies, covering different decent work policies. The three case studies have to do with child labour, micro-credit, and health insurance schemes.

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<sup>27</sup> Saptagram's popularity among rural women might also explain why the members and staff of this NGO are rarely the target of fundamentalist attacks (Howes, 1999: 12). These attacks are not infrequent in Bangladesh. For example, schools set up by BRAC, one of Bangladesh's largest NGO, providing equal educational opportunities for girls and boys, were arsoned by Islamic fundamentalists. The argument was that BRAC was funded by Christians and that the NGO's true purpose was religious conversion (Clark, 1997: 50).

**(a) *The Sialkot Campaign against Child Labour***

Essentially two kinds of NGOs are active in the fight against child labour. The first works in the field, investigating the causes of child labour in specific communities, raising awareness among parents and families, creating additional income opportunities for adult members of the family, and supplementing the state supply of educational services with non formal literacy and training courses (see Misha, 2000, on India). The second is composed of a completely different typology of NGOs: large, transnational organizations, based in Northern countries, with only a remote connection to local communities and constituencies. This second typology contributes to create a demand for labour standards in advanced countries (Freeman, 1998) by making customers aware that the goods they purchase have been manufactured in violation of basic labour standards, for example through the use of child labour. They mobilize the Western public opinion against particular multinational companies, accused of incorporating labour standard violations in their products through their local subcontractors. They also pressure Northern governments into adopting restrictive measures (generally trade-related) against particular governments to induce them to initiate correcting action within their own spheres of competence (Keck and Sikkink, 1998: 12-3, call this the “logic of boomerang”; see also Risse, 1999).<sup>28</sup>

This second kind of NGOs relies heavily on the use of the media and on “symbolic” events to attract international attention and to put particular labour violations on the agenda of governments and international organizations. This section reviews the international campaign against child labour in the Sialkot soccer ball industry. What is especially interesting about this campaign is that it contains all the typical elements of an awareness-raising campaign, including skilful use of the media, “mobilization of shame,” pressure on multinational companies and Western governments. Yet, the major initiator of this campaign was the International Confederation of Free Trade Unions (ICFTU), not a large transnational NGO. The case study also illustrates the potential for collaboration among the international labour movement, local and international NGOs, and international organizations like the ILO in the fight for workers’ rights.<sup>29</sup>

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<sup>28</sup> See Price (1998); Clark, Friedman, and Hochstetler (1998); Van Rooy (1997); Scholte, O’Brien, and Williams (1999); Smith, Pagnucco, and Lopez (1998); Otto (1996) for more on various transnational campaigns and transnational NGOs.

<sup>29</sup> The Sialkot campaign could be confronted with a similar, in many respects, NGO campaign against Nike. For the past several years, Nike has been the target of a trans-national advocacy campaign involving international NGOs like Global Exchange and Transnational Resource and Action Center as well as organizations like Christian Aid in the UK, National Labor Alliance in the US, and trade unions in various developing countries. The company has been accused of various labour and environmental violations, including exploitation of children and use of toxic chemicals. These “image” problems have had a big impact on the company’s bottom-line. In 1997, Nike’s stock price fell by 40 percent. By the end of 1998, earnings were one half of those in the previous fiscal year. Many other factors might explain this lapse in performance. However, there seems to be little doubt that the awareness-raising campaigns launched by trans-national networks in many Western countries played a big role. Customers came to suddenly realize that their Michael “Air” Jordan shoes could very well have been manufactured by children who should have been attending school (or, in other circumstances, by adults earning \$1.44 an hour and being fired for trying to organize a union). Nike’s initial response was one of denial. Consider, for example, the Christian Aid’s account of Nike’s reaction when the first accusations were raised against it (quoted in Schwartz and Gibb, 1999: 52): “the workers are lucky ... it’s better than having no job; it is not the companies’ business ... you should be asking that question of the United Nations; [we] are indeed dealing with the problem.” The company’s attitude then shifted to one of tactical concessions. In 1997, Nike hired a former UN-Ambassador to lead a team of consultants from Ernst & Young to conduct a thorough review of Nike’s labour and environmental practices. The final report of the team, which was intended to tacit international critics, showed that the company was in full compliance with its own 1992 code of conduct which banned the use of forced and child labour and pledged to comply with local labour and environmental laws. This same report was, however,

With 130 million inhabitants and a quarter of its population earning less than one dollar per day, Pakistan is one of the major exporters of sports goods, especially hand-stitched footballs.<sup>30</sup> Sialkot, one of the largest areas in Pakistan, situated in the Northeast corner of the province of Punjab, hosts three of the most prosperous industries in the country, namely the sports goods, surgical instruments, and leather industries. All three industries employ child labour. According to the ILO, about 7000 children worked in the football industry in 1996.<sup>31</sup>

In 1996, a European soccer championship was scheduled in England. Given, the enormous popularity of the sport, the ICFTU decided to use this event as an opportunity to launch an international campaign against child labour in the soccer industry. The confederation was receiving worrisome news about use of child labour in the Sialkot soccer industry by the international textile union and decided to publicly expose the industry. Children were photographed and filmed while stitching the balls with the European championship logo. These same balls appeared, in other pictures, among the feet of internationally acclaimed soccer stars (some of whom agreed to act as testimonials for the campaign).<sup>32</sup> This media campaign shocked consumers throughout the globe. The UEFA, the European soccer coordinating body, became worried about the public image of the sport. Religious groups, consumers groups, large Northern NGOs like “Save the Children Fund UK,” and governments joined the campaign. The major soccer ball companies, among which there well-known multinational manufacturers of sports goods, were targeted with a series of TV reports and magazine articles. The enormous impression created by the media campaign rallied the producers. Especially the Soccer Industry Council of America (SICA) exerted pressure on the World Federation of the Sporting Goods Industry (WFSGI) to come up with a plan to stop child labour and assuage the social pressure on the industry.<sup>33</sup>

Negotiations among various actors, including the Sialkot Chamber of Commerce and Industry, the ILO and UNICEF, various Pakistani NGOs, the Government of Pakistan, Save the Children UK, and the WFSGI led to the signing of the so-called “Atlanta Agreement” on February 14, 1997 (Husselbee, 2000: 378-81). The agreement was signed at the Super Show, the annual sports trade fair in the United States. With the Atlanta Agreement, the ILO, UNICEF and the Sialkot Chamber of Commerce and Industry agreed to work together to progressively eliminate child labour from the football industry in Sialkot.<sup>34</sup>

The major producers wanted a swift response to the problem and proposed to ban child labour altogether. There were, however, also fears that hurried solutions could push the children into even

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dubbed by the Transnational Resource and Action Center (TRAC) as “smoke from a hired gun.” One of TRAC’s affiliated researchers conducted an independent monitoring of various Vietnamese suppliers of Nike and exposed various shortcomings in the company’s self-assessment (O’Rourke, 1997). In a speech delivered in the spring of 1998 (Schwartz and Gibb, 1999: 54), Nike’s CEO finally acknowledged that the company had failed to understand the depth of public concern with worker conditions and announced extensive policy changes, including the elimination of toluene (an hazardous chemical), training and research initiatives focused on how to improve work conditions, and a programme of independent monitoring.

<sup>30</sup> In 1997-1998, Pakistan exported 35.4 million soccer balls for a total amount of 5,000 million Pakistani rupees (equivalent to \$ 100 million). The US imports of soccer balls increased 118 percent between 1989 and 1996. Of \$34.2 million worth of imports in 1996, 71 percent came from Pakistan (see web site of the US Department of Labour, 2001: [www.dol.gov](http://www.dol.gov) accessed on May 2, 2001; Husselbee, 2000: 378).

<sup>31</sup> DLWP and ILO (1996). Some observers talk of 15’000 children working in the soccer ball industry alone; see APFOL, 1999: 44. The ILO estimates the total number of working children in the world to be around 250 million. At least 120 million are working full time (see the US DoL’s web site at: [www.dol.gov](http://www.dol.gov) accessed on May 2, 2001). Of these, 61 percent are in Asia, 32 percent in Africa, and 7 percent in Latin America (ILO, 1998b). Relatively few children work in advanced countries (Fallon and Tzannatos, 1998: 2).

<sup>32</sup> This is based on the author’s conversations with Steven Pursey and Tim Noonan.

<sup>33</sup> See the WFSGI’s web site at: <http://www.wfsgi.org>.

<sup>34</sup> The text of the Agreement can be found at: <http://www.itcilo.it/english/actrav/telearn/global/ilo/guide/ilosoc.htm> (accessed on March 9, 2001)

more hazardous and exploitative forms of work (SCF, 2000: 43). Save The Children was asked to prepare a report on the situation of the working children in Sialkot (SCF, 2000: 38). The report found that soccer stitching was neither particularly hazardous nor especially exploitative for boys and girls. Most children were helping their families meet basic needs. Also, children were deterred from attending school by the poor quality of the available education and not simply by the need to work (Husselbee, 2000: 379). In alliance with local NGOs, SCF decided to establish a programme aimed at improving the educational opportunities of children as well as the income-generation opportunities of their fathers and mothers.

Consistent with these recommendations, the approach to child labour in the Atlanta Agreement was made voluntary and gradual. The ILO and other entities were assigned the task of inviting the soccer ball manufacturers through the Sialkot Chamber of Commerce to join the programme voluntarily. The manufacturers that joined the programme were asked to transfer production from village and home-based production units to registered production centres, known as stitching places, as well as supply information about working conditions for monitoring purposes (ILO, 2000a: 55). The ILO, then, sent out a number of field monitors to verify the information provided. All the monitoring visits were scheduled randomly and without prior knowledge of the manufacturers, the subcontractors, or the ILO monitors. The Sialkot Chamber of Commerce was assigned the task of raising the money needed to finance the programme among its members. The UNICEF, Save the Children, and other NGOs also provided technical and financial support for the programme (ILO et al., 2000).

The Atlanta Agreement also had a social protection component which aimed at assisting the children who no longer worked in the soccer industry and at preventing children from ending up working in other, more hazardous sectors (like the surgical instruments industry). This part of the programme involved awareness raising sections with children, parents, employers and communities as well as micro-credit schemes and training programmes (jointly run by UNICEF, Save the Children, and various NGOs) to improve the income opportunities of families.

The Sialkot programme seems remarkably successful. The ILO considers the programme as one among its 15 most successful action programmes.<sup>35</sup> The programme monitors 446 stitching centres. From 163 of these centres children were entirely removed and provided educational opportunities through the creation of 154 non-formal education centres. The total number of manufacturers participating in the programme expanded from 22 to 39 in the first two years.

Yet, only half of the soccer ball manufacturers in the Sialkot region accepted to participate. These represent 65-70 percent of the export production. The 39 participant manufacturers have transferred 69 percent of their production to the stitching centres (International Labor Rights Fund, 2001). While the partners are now working on persuading more manufactures to join, there is also evidence that some of the ones that did join still continue to outsource part of their production to children working at home.

Today, more than 3,000 children have been removed from the soccer industry (ILO, 2000a: 55). Also, 6,400 children are attending more than 200 education centres set up by the partners. Regarding the social protection and rehabilitation component of the project, in December 1999 Save the Children estimated that its education and credit programmes had benefited over 40,000 children and their families (SCF, 2000: 40). Some 5,000 families took loans to start small businesses. At the same time, some families have experienced a drop in earnings resulting from the loss of children's incomes.<sup>36</sup> Perhaps more importantly, there is also some evidence that soccer ball production may be shifting from Sialkot to nearby (hitherto unregulated) regions. These

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<sup>35</sup> See <http://www.ilo.org/public/english/standards/ipecc/about/factsheet/expls98/exmpl5.htm> and [www.ilo.org/public/english/standards/ipecc/about/factsheet/facts04.htm](http://www.ilo.org/public/english/standards/ipecc/about/factsheet/facts04.htm) (accessed on March 9, 2001)

<sup>36</sup> Some children who attend the education centres still continue to stitch balls at home or on a part-time basis since their families need the income they provide (International Labor Rights Fund, 2001).

problems forced the ILO, Save the Children, the UNICEF and the Sialkot Chamber of Commerce to carry on with their monitoring activities until today, i.e. well-beyond the initial 18-months originally planned.

**(b) *The Grameen Bank's Micro-Credit Programme***

Micro-credit schemes are (as shown above in the paper) often key to various other NGO projects. They provide the basic organizational backbone for further initiatives aimed at organizing the poor, improving their employment and income opportunities, and creating basic social safety nets (see for example Jyothi, McFarland, s.d.). These further projects often rest on the micro-credit foundations in the sense that micro-credit programmes bring poor people together (and hence, contribute to organize them) and give them the economic wherewithal necessary to participate in mutuality-based social protection schemes. Understanding the pioneering experience of the Grameen Bank in the field of micro-credit seems, therefore, important for understanding a host of similar projects.

Muhammad Yunus, the founder of the Grameen Bank, recounts in a recent article and book (1998a and 1998b) how the Bank's initial project was conceived. He had recently returned to newly independent Bangladesh to take a position in the Department of Economics at Chittagong University after spending several years in the US where he had completed a doctorate in Economics. He taught courses in Development Economics but grew increasingly dissatisfied with the elegant theories he presented to his students as they seemed to have no impact on relieving the poverty that surrounded him. One day Yunus talked with a female bamboo weaver from the village of Jobra, just outside Chittagong University. This woman was a widow and had two children to support. She made beautiful bamboo stools and one would expect, given the high quality of her work, she should have no problem making a living. Yet, she only gained the equivalent of two cents per day. She was so poor she could not afford to purchase the raw materials (bamboo) necessary for her work. So she had to recur to a moneylender who was happy to lend her the money but required in exchange that the woman sold back all of her production to him/her at a pre-established price. This explained her poverty.

In 1976, Yunus decided to launch a small research project to understand exactly how much working capital was needed to free poor people from moneylenders. With the help of research assistants, he surveyed 42 poor people in the village of Jobra. The total amount of working capital these people needed was \$27. In other words, with only \$27, 42 people (and perhaps, families) could be subtracted to dependence on moneylenders. Yunus decided to go and talk with the director of the local bank branch. This person kindly explained to him that even though the amounts were negligible, the bank did not lend to poor people as they did not have the collaterals needed to guarantee their loans. Also, application for a loan required filling in a series of forms and poor people did not even know how to sign their names. From these experiences came the idea of an institution that would lend small amounts of money to poor people with no need for collaterals. The Grameen Bank project was launched in 1979 with financial assistance from Bangladesh's central bank. In 1983, Grameen started operating as an independent bank. As of December 1997, the bank employed 12,000 staff in 1,118 local branches, covering 38,766 villages for a total of 2.3 million borrowers. These borrowers were also the owners of the bank, of which they purchased shares. They received \$35 million worth of credit every month. The repayment rate on loans was a record 98 percent. Perhaps more importantly, the Bank was making a profit on its loans to the poor (Yunus, 1998b).

The Bank's approach is based on the assumption that poor people already have everything they need in terms of skills to earn a living. The cause of their poverty is in the unequal distribution of assets. This limits their access to credit and makes them the victims of the usurious interest rates practiced by moneylenders and other commercial intermediaries. The Bank deals with the risk of default on loans (which tends to increase when loans are not backed by collaterals) by using the

innovative principle of *joint liability* or *social collateral* (Stiglitz, 1990; Varian, 1990; Besley and Coate, 1995; Jain, 1996). In other words, when a person wants to borrow money from the bank, he or she is asked to form a group of five people. The group is jointly responsible for the timely repayment of all group members. If one person is delinquent, all other members cease to be eligible for credit. Also, not all group members receive credit at the same time. Instead, they are asked to select two members among them who should receive credit first. Only after these two prove their creditworthiness, are the other entitled to receive credit as well.

The principle of joint liability contributes to reduce various informational asymmetries in the relationship between lender and borrower. The lender often does not know whether the projects that the borrower will initiate with her money will ultimately be successful and consequently, whether the borrower will be in the position of repaying her. More generally, the lender does not even know whether the borrower will want to repay her. Joint responsibility contributes to assuage some of these problems. The villagers often have better information than the bankers about who among the co-villagers are more likely to repay their debts. Since their own loans are dependent on their co-members' performance, these villagers have an incentive to screen the best prospective applicants and include them in their own groups. Also, they can exercise social pressure on those at risk of default or alternatively, help them when they go through temporary difficulties and their solvency is at risk. These social pressures explain why, even in the absence of collaterals, the repayment rates of the Grameen Bank and other micro-credit institutions are above 95 percent.

The Bank seeks to target the poor. In fact, credit is only granted to those who possess not more than half an acre of land or assets not exceeding the value of one acre of medium quality (Wahid, 1994). Originally, it was thought that credit would be made available for both women and men. Over time, however, the former category became the preferred target of micro-finance institutions. The reason is that women proved to be more reliable borrowers than men (see Pitt and Khandker, 1998; Amin et al., 1998). In particular, bank officials discovered that with women borrowers, the chances that economic surplus would be used for purposes that improved the welfare of the whole family (and particularly, children) as opposed to single members were higher than with male borrowers. These were more likely to use the extra for themselves (Yunus, 1998b). Also, women tend to have greater reluctance to take risks and a greater tendency to diversify to reduce risk (Todd, 1996; Mayoux, 2000). By focusing on women, the Bank seeks to take advantage of these characteristics. At the moment, 95 percent of the bank members are women.<sup>37</sup>

One of the Grameen Bank's biggest achievement is the change which has been produced in rural people's attitude towards women and work (Todd, 1996). Women now have a bigger economic role in the family. This has increased both their self-confidence and people's consideration of their role. Surveys show that women participating in micro-credit programmes increase their mobility, their ability to make purchases autonomously, to participate in household decisions, as well as their awareness of rights (Hashemi et al., 1996; Amin et al., 1998; Amin and Li, 1997; Rahman, 1999).<sup>38</sup> Other studies show that women participating in the programme use contraceptives more often and have fewer children than non participants (Wahid, 1994; Amin et al., 1994; Schuler and Hashemi, 1994). This might be a sign that the awareness-raising initiatives taking place in Grameen Bank premises work.

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<sup>37</sup> See <http://www.grameen.org>.

<sup>38</sup> Evaluation studies of this kind are subject to possible selection bias. In other words, individuals with particular characteristics may self-select themselves into the programme. These characteristics may be themselves correlated with performance so that in the end, it is difficult to decide whether positive outcomes are the result of the "treatment" (i.e. going through the micro-credit programme) or are instead an artefact of the selection process. The studies reported here seek to correct the possible bias in various ways. Pitt and Khandker (1998), for example, compare both villages in which micro-finance programmes were present and villages in which they were not present. A fixed-effects model with village dummies is estimated to control for possible village-level unobservable characteristics biasing the evaluation of the credit programme.



Since 1984, in order to improve the living and housing conditions of its borrowers, Grameen has also initiated a housing programme. According to the Bank, 448,031 houses have been built with the help of the NGO's micro-credit.<sup>39</sup> A study has been conducted on the quality of housing before and after taking loans. Whereas previously 90 percent of the borrowers lived in housing units with thatched straw roofs and walls of straw and jutestick, nearly 90 percent lived in houses with tin roofs and walls of bamboo and jutestick after getting access to credit (Rahman and Hasnat, 1993, cited in Wahid, 1994).<sup>40</sup>

The Bank also asks all borrowers to deposit a certain percentage of the loan they receive into an emergency fund, which is designed as a kind of insurance cover for death, default, disaster and accidents (Todd, 1996). In addition, a health programme has been recently developed which aims at providing the Bank members with services in exchange for a fixed amount of money per year (Yunus, 1998b). Overall, the micro-credit scheme seems to have generated a series of positive externalities in various other fields. By getting access to credit, women improve their position within the family and society as a whole, begin becoming aware of their rights, and pay more attention to contraception and health issues. These successes might explain not only the growth of the Grameen Bank - it now has subsidiaries in various countries, including the USA - but also the enormous popularity of the model it pioneered. In fact, this model is now being replicated by various other NGOs throughout the world.<sup>41</sup>

### ***(c) NGOs and Health Care Provision in Guatemala and the Philippines***

At the present time, more than half of the world population is excluded from any type of formal social protection scheme (Ginneken, 1999). First, large portions of the employment population in Africa, Latin America, and South-East Asia are in the informal sector. According to ILO data, 72.4 percent of urban employment is in the informal sector in Gambia, 78.5 percent in Ghana, 71 percent in Mali, 83.7 percent in Uganda, 80.7 percent in Zambia, 58.5 percent in Bolivia, 49 percent in Honduras, 48.2 percent in Brazil, 51.5 percent in Colombia, 53.5 percent in Guatemala, 51.9 percent in Peru, 42.4 percent in Venezuela, 45.7 percent in Argentina, 44.2 percent in India, and 67.1 percent in Pakistan (see Appendix 3). Second, most public schemes are contributory, i.e. based on compulsory deductions from pay checks. Since most workers in the developing world do not have pay checks from which deductions can be made, they cannot participate in these contributory schemes. As a result, social security coverage is 5 to 10 percent in South Asia and sub-Saharan Africa, while coverage in Latin America countries varies between 10 and 80 percent. In most former communist countries in Europe, coverage varies between 50 and 80 percent. In advanced countries, coverage has practically reached 100 percent (Ginneken, 1999: 1).

<sup>39</sup> See <http://www.grameen.org>.

<sup>40</sup> With the regard to nutritional status, Rahman (1986, cited in Wahid, 1994) showed that an average member of a Grameen Bank household in 1986 was not only better off in terms of food intake in absolute amounts than an average member in 1982 but also better off than an average non-member of 1986.

<sup>41</sup> Among the critics of the Grameen model are the so-called "structural feminists" (see Todd, 1996; Mayoux, 2000, for a discussion). These argue that micro credit schemes focus on integrating women within existing social structures rather than challenging the structures themselves. Fernando (1999), for example, argues (on the basis of field research on three NGOs in the Tangail District in Bangladesh) that women that can count on a steady source of male income are favoured over unmarried girls or widows in the lending process (p. 170). She also argues that there is no direct correspondence between the formal borrowers and the actual users; in fact 75 percent of loans are used by men even though men are not eligible for credit. Also, credit is rarely used for the purposes for which it is granted. Field officers seem to tolerate these deviations. Their policy is, in fact, that people know best. Todd (1996) also reports that loaners use the capital for purposes different from the ones they apply for. Despite explicit prohibition, this capital is often used to buy or lease land.

Civil society organizations and NGOs contribute to widen the provision of basic services by organizing mutual schemes operating at the community level (see, for example, ILO, 2000b). Many of these schemes adopt a participatory approach in the sense that beneficiaries actively participate in the management and defence of the system (in order to avoid abuses, among other things). As argued above, these community-insurance (or micro-insurance) schemes are often combined with micro-credit programmes, in the sense that the promise of credit is used as a tool for bringing people together and provide them with the economic resources needed to contribute to mutual schemes. These schemes are based on the advanced payment of small insurance premiums. They pool the risk of entire communities.

A recent paper by Ron (1998) analyses two experiences with community health insurance in Guatemala and the Philippines. The interest of the paper lies not only in the description of the two systems but also in the author's explanation for why the Philippine programme was more successful than the Guatemalan. Different from the examples reported above, the determinants of success appeared to lie not so much in the capacity of community organizations to involve recipients and maintain an open and participatory structure, but rather in much more traditional administrative capacities, e.g. the capacity to register beneficiaries, collect premiums, distribute the services effectively, maintain a well-operating financial and accounting system. These characteristics are very different, if not opposite, to spontaneity, mobilization, and informality, which are considered the hallmark of civil society. The fact that the Philippine community organization was affiliated to and backed by the national and international levels of the same organization is cited as a factor increasing this organization's administrative capabilities.

Just like other developing countries, poor people's access to primary health care services in the Philippines and Guatemala is generally quite difficult, due to inadequate government supply. Moreover, cash-stripped governments have begun to charge user fees on those services that they actually supply. User fees further limit access to health services as the poor tend to postpone their visits to the doctors or prioritise among family members based on the seriousness of health conditions.

In both Guatemala and the Philippines plans are in place for introducing a national health insurance plan. However, these plans will take years (15 years in the case of the Philippines) to reach the population in rural areas. For the time being, existing provisions only cover salaried workers and their dependents, i.e. those portions of the population who could perhaps afford purchasing private insurance.

Both countries rely on community health initiatives to complement the state provision of health care services. These initiatives aim at raising money from local communities and at financing health care provision either on a contract basis (in other words, cooperatives or mutualities sign capitation contracts with privately-run or semi-autonomous hospitals/health providers) or through salaried staff and/or fully owned facilities.

The ASSABA health financing scheme in Guatemala and the ORT Health Plus Scheme in the Philippines are good illustrations of community health programmes (see ILO, 2000b). The Assaba scheme was initiated in 1994 and was intended to cover first, the 11,000 residents of the Barillas region and later, the other 65,000 people scattered in nearby small villages. This population was 95 percent Mayan Indian. The health facilities available in the region were totally inadequate to the needs of the local population. For example, there were only four health posts in the town and villages, all serviced by a single doctor. There also were two private non-for-profit hospitals: a 30-bed one run by the Protestant Church and financed by US donors, and a 6-bed facility for the terminally ill run by the Catholic Church.

In 1993, at the request of the World Health Organization (WHO) and of the Guatemalan Ministry of Public Health and Social Affairs, ASSABA, a community association in charge of dealing with the health problems of the local residents of Barillas, was constituted. Members of the organization were the local churches and leaders of local businesses (mostly coffee growers). It was established that ASSABA would develop a community health scheme. This implied

registering local villagers, collecting insurance premiums, purchasing drugs and supplies, and disbursing the money for the payment of services. The health services would be provided through the state facilities or through capitation contracts with the local private hospitals. The initial goal was to double per capita health expenditures in the Barillas region from 3 to 6 dollars.

These goals were not reached and the project failed. It essentially failed because ASSABA was not able to provide the administrative support that was requested of it. Also, conflicts between the Catholic and Protestant churches, which the Catholics objecting to the capitation contract offered to the Protestant-run hospital contributed to weaken the community coalition. Registration of families, very low from the start, stagnated and eventually ceased altogether in 1997. In the meantime, a national health care programme was launched by the government of Guatemala. This was financed by national money. NGOs and other community organizations were asked to play a role of pure intermediaries, by paying health care providers on behalf of government, rather than raising their own money. In spite of its failure to promote the community scheme, ASSABA was invested with the responsibility of operating as the local intermediary in the Barillas Area.

In the case of the Philippines, a community health care programme was launched in the region of La Union as a complement for an already existing so-called "integrated development" project. This project was implemented by an international NGO called Organization for Education Resources and Training (ORT), which operates in the Philippines and in other six countries. This integrated project aimed at increasing the income and livelihood opportunities of poor communities (which generally supported themselves through subsistence agriculture and street vending) through community organizing, provision of infrastructure, and other activities. An ORT multipurpose cooperative was created to coordinate and finance the various community projects in the La Union region. One of these initiatives was the staffing of a series of day care centres. These later began providing basic health care and even preventive (i.e. immunization) services as well as supplementary feeding for the 1,000 children enrolled. Over time, it was found that these health services were the only source of medical service and consultation for many of the families involved, so the project was scaled up and an ORT Health Plus Scheme, covering not only the children but also the adults was created. This was intended to cover an area populated by 3,000 families for a total of 15,000 people.

The benefit package was designed to include ambulatory and inpatient care, prescribed drugs, and basic ancillary services included in specific lists. The project opted for the direct delivery of primary health care, with salaried doctors and nurses providing services in the existing preschool day-care centres. Revenues were planned to come mainly from family contributions paid regularly to the OHPS fund and managed by the ORT Multi-Purpose Cooperative. The design of the programme, including decisions concerning the amount of the contribution, administrative functions etc., was rather centralistic in the sense that it did not involve multiple actors as in the case of the Guatemalan community health care scheme. The most important issue in the design of the scheme appeared to be the setting of contribution levels at levels that could be affordable for the majority of the population involved while guaranteeing at the same time financial sustainability. There were discussions on this theme within the Cooperative Assembly. The scheme was to be administered centrally by the ORT Multi-Purpose Cooperative. An information system (managing data on membership registration, health-related information, and financial accounting) was developed using a desktop computer.

Unlike the ASSABA project, the ORT Health Plus Scheme is considered by Ron (1998) as quite successful. The registration rates grew almost constantly, the health services provided were of good quality, and perhaps more importantly, the scheme seemed to be financially viable. The management proved to be quite effective in introducing changes to the design of the programme when such changes were needed. For example, the capitation contract with nearby hospitals was revised after the first few months of the scheme's operation. Also, the list of drugs which were provided for free or at subsidized costs was altered when it became clear that some of the drugs that the scheme's participants used the most had not been included in the original lists.

The contrast between ASSABA and the ORT Health Plus Scheme is interesting as ASSABA was certainly more participatory than its Philippine counterpart. In addition, ASSABA also had better financial and technical support from the WHO and other donors. However, ASSABA lacked a sufficiently established administrative structure. Perhaps, its participatory internal structure contributed to further reduce the programme's administrative capacities by sparking internal conflict between Catholic and Protestant organizations. The ORT Health Plus Scheme was designed and implemented during the period of legislative review and passage of a national health insurance act in the Philippines. Perhaps the design of the programme benefited from the information and policy lessons made available through this legislative review. On the other hand, in terms of operational experience and administrative capacity, the ORT Health Plus Scheme was better than the ad hoc organisational structure put in place by the Guatemalan NGO. This administrative capacity, according to Ron (1998), contributed decisively to the overall success of the project.

#### **4. Concluding Remarks**

The major findings of this literature review can be summarized as follows:

Civil society is an evocative but quite ambiguous concept. Three different intellectual traditions inform this concept and give it different meanings. Two of them, but not the third, share a commitment to limited government. The liberal tradition originated by John Locke and the early political economists regards civil society as essentially a market society. The Tocquevillian tradition emphasizes the role of secondary associations as a bulwark against state power and a curb on individualism. The more recent Habermasian tradition regards civil society as a way of periodically renewing the agenda of government and institutional politics. When it talks about civil society, this intellectual tradition has in mind a series of social movements whose mobilization brings new values and themes (e.g. feminism, civil rights, labour rights) to public attention. These different meanings contribute to explain the plasticity of the civil society concept and why it can be easily incorporated in political programmes of quite different ideological orientation.

Overall, the civil society construct appears empirically too vague to be helpful in policy-specific investigations, let alone policy recommendations. What is important for this kind of research is, in fact, understanding the role played by particular types of organizations in specific policy contexts, not coming up with general assessments of the virtues and vices of civil society in general. Similar remarks could be expressed about the recent research programme on social capital which has recently inspired some of the World Bank's work (e.g. 2000). The social capital construct is much better operationalized than the civil society one. For the most part, social capital is, in fact, measured through associational density (Putnam, 1993). Just like civil society, however, social capital does not differentiate across different associations. It does not even consider that some forms of associationalism could be of the wrong kind. As such, it is not clear whether the social capital construct could inspire detailed policy analysis and provide recommendations as to exactly what kind of groups positively affect outcomes.

The literature on NGOs is much more down to earth as it focuses on distinct organizations and policy projects. The growing popularity of NGOs appears to be linked to the diffuse conviction in the development field that these organizations are more innovative, flexible, and effective in delivering their services (including cost-effective) than government bureaucracies. These perceived features have contributed to channel a growing portion of international aid through NGOs. These claims do not seem to hold systematic scrutiny, however. Even though the empirical literature on these themes is far from exhaustive, there is no systematic evidence that NGOs perform better than government organizations. There also seems to be no convincing theoretical reason why they should do so.

Besides ineffectiveness, NGOs have been the target of various other criticisms, including those of being collateral with power, of simply scratching the surface of development problems while failing to attack their structural causes, of being politically unaccountable to local communities and excessively dependent on foreign donors, of contributing to the retrenchment of state services, and of promoting new forms of clientelism among recipients at the advantage of the NGOs' own staff. At the same time, NGOs are in many poor countries important providers of basic social services, like health care and education. In fact, due to both financial problems and structural weaknesses (Migdal, 1988), states are unable to reach the bulk of the population, particularly those residing in rural areas. Data on public social expenditures (including pension and health care expenditures) show great disparity across income levels. High-income countries spend on average 18 percent of GDP, middle-high income countries spend 9 percent, middle-low income countries 7 percent, and poor countries only 3 percent (see Appendix 4).<sup>42</sup> In similar situations, NGOs often substitute for the state. Asking whether non-traditional organizations should be involved in decent work policies is a moot point in poor countries. They might not be especially effective, but these non-traditional actors are sometimes the only actors on site.

An especially interesting policy approach pioneered by some NGOs is one that combines in an integrated fashion micro-credit, organization of the poor, awareness raising, service provision, and collective action. Poor people in rural areas are extremely difficult to organize. They are less likely to join a group than richer people and are less likely to influence the group's collective decisions when they join (Howes, 1997b). As illustrated by the case of Saptagram in Bangladesh, NGOs use quite tangible (selective) incentives, i.e. the promise of credit, to bring the poor together, particularly poor women. Initially, poor people are asked to form groups if they want to be eligible for loans. In fact, as the groups are jointly accountable for the behaviour of each group member, peer pressure inside the groups contributes to keep repayment rates high. NGOs like Saptagram do not stop at credit, however. The social infrastructure, or "social capital," created through micro-credit schemes is then further used for educational activities (like literacy courses) or "coscientization," i.e. collective discussions on the determinants of the poor's plight and on possible remedies. Also, the NGOs help groups establish micro-health insurance schemes, based on fixed premia and the pooling of risk. Availability of cash through micro-credit enables these poor people to participate in these community-based schemes. Also, the organization of poor people enables them to strengthen their bargaining position vis-à-vis commercial intermediaries and moneylenders.

In poor countries, the state is weak. Trade unions and employer associations are equally, if not more weak. According to data gathered by the ILO, in 1995 the unionisation rate for the non-agricultural labour force was 4.3 percent in Bangladesh, 5.4 percent in India, 5.5 percent in Pakistan, 4.1 percent in Ethiopia, 2.7 percent in Mauritania, and 3.9 percent in Uganda (see Appendix 6).<sup>43</sup> These rates are so low - and could be even lower if total employment population and not only the non agricultural labour force was considered, since most people work in agriculture in poor countries - because unions only reach workers employed in the formal sector of the economy. In some cases, like Pakistan, unions are even legally prevented from organizing workers in the informal sector.<sup>44</sup> In these countries, the traditional partners to social dialogue, trade unions and employer organizations, obviously do not exhaust the whole of society. Associations like the ones described above seek to provide collective representation and protection to people who

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<sup>42</sup> Public education expenditures are slightly more equally distributed across income levels. In fact, rich countries spend 5.15 percent of GDP, middle-high income countries, spend 4.72 percent, middle-low income countries 4.77 percent, and poor countries 3.52 percent (see Appendix 6).

<sup>43</sup> The percentage of workers employed by enterprises associated with employer organizations was around 4 percent of the working population in Pakistan and 6 percent in Indonesia (two of the countries for which data were available) (see Appendix 7).

<sup>44</sup> In Pakistan, the labour code requires unions to declare the name of an employer for official registration. Obviously, informal workers do not have an official employer (Rossignotti and Tomei, 2001).

have never had any. In addition, they also create income opportunities for their constituents and provide basic social services.

The preceding paragraph is not meant to imply that only associations like the ones described above, i.e. locally based and tied to specific constituencies, can positively contribute to the decent work objectives. As illustrated by the Sialkot campaign against child labour, some international NGOs are also quite successful in other contexts. These organizations are especially apt at mobilizing public opinion and at denouncing the violation of fundamental worker rights as well as other human rights. They excel in organizing media campaign and in publicly exposing both the wrong-doing and the wrong-doer. As such, they can be important allies of labour movements. Yet, these NGOs are very different from the previous, particularly since they do not respond to any specific constituency. Interestingly enough, the organization which initiated the Sialkot campaign was the ICFTU, i.e. one of the major international trade union confederations, which demonstrated in this way of having perfectly internalised the logic of action of international NGOs. The campaign generated a cooperative attempt at progressively eliminating child labour from the soccer ball industry in Sialkot - an attempt which included manufacturers, unions, NGOs, and the ILO. Local NGOs were involved, together with other actors, in the monitoring of working conditions at the plant level. This campaign shows how awareness raising by international actors, combined with decentralized monitoring by local actors, can contribute to advance the cause of workers' rights.

The literature on NGOs which has been reviewed in this paper seems to suggest that these non-traditional organizations potentially have a lot to contribute to the decent work goals in developing countries. At the same time, however, the review has also shown that not all NGOs are the same. Not only does the relationship between organizational characteristics and performance vary considerably across policy areas - so that it would be a mistake, for example, to involve in service provision organizations whose core competence is in awareness raising and mobilization (and vice versa) - also, some NGOs have serious problems of legitimacy and accountability, as well as organizational effectiveness. Therefore, involvement of these organizations in public policy should be made contingent on their willingness to provide information both on their internal structures and on their policies. This information would allow public authorities to monitor the concrete results of their action and, particularly in the case of organizations with close links to local constituencies, the quality of their representation, both in terms of density and in terms of encompassingness (i.e. representation of diverse groups and interests) (see Cohen and Rogers, 1992).

This brings us to a set of final considerations concerning the relationship between NGOs and the state. This relationship is often conceived as one of competition. As NGOs are believed to be more efficient than the state, they are often singled out by donors as the preferred channels for service provision and as the preferred recipients of international aid. There seems to be, therefore, a trade-off between state and NGOs in the sense that increasing the space of the latter implies reducing the role of the former. Various authors object to these schematic views and advocate closer cooperation between governments and NGOs (Sanyal, 1994; Pinney, 1983; Clark, 2000; Mishra, 2000). Obviously, NGOs need state support and recognition to operate effectively. Also, state policies influence NGOs programmes positively or negatively, think for example of the effects of macroeconomic policies. It might be helpful, however, to go beyond a generic invitation to collaborate and specify in greater detail the terms of this cooperation.

Research on public sector reform in advanced countries and especially in the US (Sabel, 1999; Sabel and O'Donnell, 2000; Fung, 2001) shows that states and civil associations are increasingly becoming part of a single, new regulatory framework (see also Cohen and Rogers, 1992). This new regulatory framework seeks to mimic a series of organizational innovations which have recently emerged in the private sector, where the boundaries between producers and suppliers have become increasingly blurred (especially in the area of new product design) and various local units both collaborate with one another and compete with other similar groupings in coming up with the most effective technical solutions to practical problems (see Helper et al., 2000).

In this new regulatory framework the state no longer dictates from the centre a series of regulatory outcomes in a “command-and-control” fashion. The key idea of the model is that local units (composed of associations, public bureaucracies, citizens’ groups, etc.) are given responsibility for developing and implementing their own solutions to particular local problems on condition that their mode of operation is transparent, i.e. that they provide a series of data and information rich enough to allow public evaluation and oversight of their performance (Sabel, 1999). The assumption underlining this new architecture is that local actors have more detailed knowledge of both their problems and of possible solutions than central bureaucracies.

As illustrated by the recent experience of school and police reform in Chicago (Fung, 2001) and of environmental regulation in the United States (Sabel et al., 1999), this model seems to favour local experimentation and the discovery of new approaches to old problems. Local groups are required to come up with precise metrics to document their actions. These metrics are then confronted with those of other local groupings dealing with similar issues. This process of comparison favours both competition among groups (which strive to come up with the most effective solutions) and learning. The state retains the right to intervene in case of failure of self-regulation. In fact, the model is far from voluntaristic as it contains minimum standards and a series of reporting obligations.

This regulatory model appears quite easily extendable to the relationship between state authorities, social partners, and NGOs in developing countries. In this model, the state continues to play a fundamental role by deciding what the goals of regulation are and what kind of associations are allowed to participate in the policy-making process (and in what forms). The state also closely monitors the performance of decentralized units and steps in cases of poor performance. At the same time, however, the state refrains from intervening in all the minute details of regulation and allows local groups to self-regulate themselves.

Among these groups are trade unions and employers’ associations, which in light of their social roots are in many cases the key actors to self-regulation, but also (when their particular expertise and/or representational capacities recommend inclusion in the policy-making process) other civil society organizations like NGOs, community organizations, cooperatives, etc. Traditional social partners and civil society organizations cooperate with one another in the search for solutions to commonly-perceived problems and then confront their own particular solutions with those of other local groupings faced with similar problems. The state, in turn, favours local experimentation, establishes a collectively-shared system of measurement to make the various experiences comparable, promotes benchmarking across different local units, favours the circulation of information about best practices, and assists local units with the implementation of innovations. In the end, after summing up what is taken away and what is added, it is unclear whether the balance for the state is really negative in this new regulatory model.

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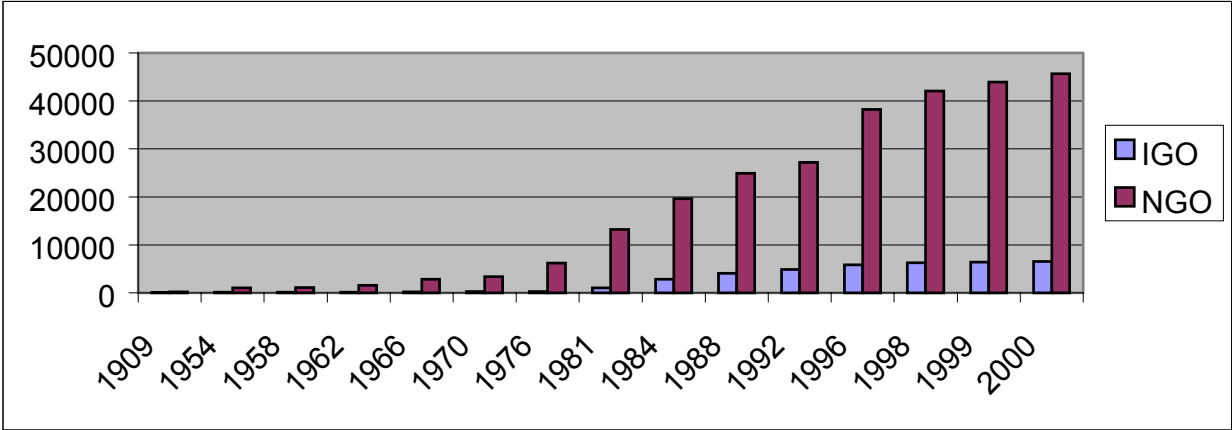
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**Table and Figure 1: The size of the IGO and the NGO sector over time**

	1909	1954	1958	1962	1966	1970	1976	1981	1984	1988	1992	1996	1998	1999	2000
<b>IGO</b>	37	118	149	163	199	242	252	1039	2842	4038	4878	5885	6250	6415	6556
<b>NGO</b>	176	1008	1073	1552	2830	3379	6222	13232	19614	24902	27190	38243	42100	43958	45674



Source: Yearbook of International Organizations, 2000/2001

**Table 2.** ODA Grants and Grant-like Contributions and NGO shares (in million \$)

	1985/86	1993	1994	1995	1996	1997	1998	1999
Grants and grant-like contributions	18,534	33,416	35,185	36,184	36,553	31,246	32,396	33,910
of which: <i>Contributions to NGOs</i>	450	874	973	1053	1010	998	1037	1151
Contributions to NGOs as a percentage of grant-like contributions	2.43	2.62	2.77	2.91	2.76	3.19	3.20	3.39

Source: OECD, Development Cooperation Report, 1999 and 2000 (forthcoming)

**Table 3.** 1999 ODA contributions by the ten largest donors and NGO shares (in million \$)

	Jap	US	F	D	UK	NL	IT	DK	CAN	S
ODA in 1999	15,323	9,145	5,637	5,115	3,401	3,134	1,806	1,733	1,699	1,630
of which Contributions to NGOs	251	0	32	0	132	361	21	7	184	102
Contributions to NGOs (%)	1.64	0.00	0.57	0.00	3.88	11.52	1.16	0.40	10.83	6.26

Source: as above

**Table 4.** Total ODA funds and grants by private voluntary agencies (in million \$)

	1985/86	1993	1994	1995	1996	1997	1998	1999
Total Official Development Assistance	32,296	56,486	59,152	58,926	55,485	48,324	51,888	56,378
Grants by Private Voluntary Agencies	3,109	5,692	6,046	5,973	5,577	5,191	5,375	6,684
%	9.63	10.08	10.22	10.14	10.05	10.74	10.36	11.86

Source: as above

**Appendix 1. Central Government Tax Revenue (as % of GDP)** (Source: World Development Indicators, 1999)

Group 1	1990	1991	1992	1993	1994	1995	1996	1997	1998	Average 1990-1993	Average 1994-1998	Average
Azerbaijan	..	..	..	..	25.56	17.95	13.12	14.17	18.24	..	..	17.81
Bangladesh	..	..	..	..	..	..	..	..	..	..	..	..
Benin	..	..	..	..	..	..	..	..	..	..	..	..
Bhutan* (95)	4.65	5.12	5.17	6.22	5.92	6.52	7.21	6.00	7.82	5.29	6.69	6.07
Burkina Faso	10.15	9.38	8.70	8.29	..	..	..	..	..	9.13	..	9.13
Burundi	..	16.33	16.35	15.65	16.97	17.94	14.18	12.71	..	16.11	15.45	15.73
Cambodia	..	..	..	..	..	..	..	..	..	..	..	..
Central African Republic	..	..	..	..	..	..	..	..	..	..	..	..
Chad	6.13	4.76	..	..	..	..	..	..	..	5.45	..	5.45
Comoros	..	..	..	..	..	..	..	..	..	..	..	..
Dem. Rep. of Congo	9.41	4.43	2.79	3.47	2.65	4.93	4.92	4.27	..	5.02	4.19	4.61
Eritrea	..	..	..	..	..	..	..	..	..	..	..	..
Ethiopia	12.24	10.55	7.92	..	..	..	..	..	..	10.24	..	10.24
Gambia	18.21	..	..	..	..	..	..	..	..	18.21	..	18.21
Ghana	11.44	13.16	10.77	13.15	..	..	..	..	..	12.13	..	12.13
Guinea-Bissau	..	..	..	..	..	..	..	..	..	..	..	..
Haiti	..	..	..	..	..	..	..	..	..	..	..	..
India	9.94	10.10	9.77	8.53	8.89	9.13	9.13	9.13	8.63	9.58	8.98	9.25
Kenya	20.21	22.00	19.37	20.73	23.80	23.43	23.50	..	..	20.58	23.58	21.86
Lao People's Dem. Rep.	..	..	..	..	..	..	..	..	..	..	..	..
Lesotho	34.67	42.81	46.74	48.07	47.09	45.77	42.00	40.73	38.65	43.07	42.85	42.95
Madagascar	9.43	6.84	8.66	8.16	7.69	8.32	8.47	..	..	8.27	8.16	8.22
Malawi	17.98	..	..	..	..	..	..	..	..	17.98	..	17.98
Mali	..	..	..	..	..	..	..	..	..	..	..	..
Mauritania	..	..	..	..	..	..	..	..	..	..	..	..
Mongolia	..	..	15.64	25.55	18.00	18.57	15.60	17.00	13.47	20.59	16.53	17.69
Mozambique	..	..	..	..	..	..	..	..	..	..	..	..
Nepal	7.00	6.81	6.62	6.82	7.73	8.99	8.72	8.72	8.76	6.81	8.58	7.80
Niger	..	..	..	..	..	..	..	..	..	..	..	..
Nigeria	..	..	..	..	..	..	..	..	..	..	..	..
Pakistan	13.32	12.18	12.93	12.74	12.66	13.14	13.68	12.59	12.55	12.79	12.92	12.86
Rwanda	9.51	9.76	9.26	..	..	..	..	..	..	9.51	..	9.51
Sierra Leone	3.85	7.22	9.97	11.80	11.93	9.09	7.66	10.24	..	8.21	9.73	8.97
Sudan	..	..	..	..	..	..	..	..	..	..	..	..
Tajikistan* (96)	..	..	..	..	..	..	..	..	..	..	..	..
Tanzania, United Rep. of	..	..	..	..	..	..	..	..	..	..	..	..
Togo	..	..	..	..	..	..	..	..	..	..	..	..
Uganda	..	..	..	..	..	..	..	..	..	..	..	..
Viet Nam	..	..	..	..	19.19	19.26	20.30	17.16	15.83	..	18.35	18.35
Yemen	11.10	13.73	10.15	9.97	9.36	9.88	12.12	13.05	15.22	11.24	11.93	11.62
Zambia	..	..	..	..	..	..	..	..	..	..	..	..
Average	..	..	..	..	..	..	..	..	..	13.17	14.70	13.64

Central Government Tax Revenue (as % of GDP) (cont.)

Group 2	1990	1991	1992	1993	1994	1995	1996	1997	1998	Average 1990-1993	Average 1994-1998	Average
Albania	..	..	..	..	..	16.64	14.09	12.37	14.82	..	14.48	14.48
Angola	..	..	..	..	..	..	..	..	..	..	..	..
Armenia	..	..	..	..	..	..	..	..	..	..	..	..
Bolivia	8.44	9.22	10.19	10.69	11.21	10.91	14.61	14.97	15.06	9.63	13.35	11.70
Bulgaria	34.51	30.99	27.49	25.14	29.88	27.60	24.27	25.23	27.01	29.53	26.80	28.01
Cameroon	10.76	9.80	9.75	9.51	8.53	9.43	..	..	..	9.96	8.98	9.63
Cape Verde	..	..	..	..	..	..	..	..	..	..	..	..
China	3.96	3.64	3.29	2.55	5.72	5.22	4.93	5.65	..	3.36	5.36	4.37
Congo	..	..	14.70	11.84	8.29	12.45	11.19	6.66	..	13.27	9.65	10.85
Côte d'Ivoire	19.90	..	..	..	19.64	21.76	21.65	21.39	20.84	19.90	21.06	20.86
Egypt	16.74	18.38	21.66	21.93	22.63	21.13	17.46	16.56	..	19.68	19.45	19.56
Equatorial Guinea	..	..	..	..	..	..	..	..	..	..	..	..
Georgia	..	..	..	..	..	..	..	5.19	4.56	..	4.88	4.88
Guinea	11.46	10.75	10.84	..	..	..	..	..	9.99	11.01	9.99	10.76
Guyana* (95)	..	..	..	..	..	..	..	..	..	..	..	..
Honduras	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	17.75	15.64	15.76	14.36	16.31	16.02	14.69	16.53	15.61	15.88	15.83	15.85
Kazakhstan	..	..	..	..	..	..	..	..	..	..	..	..
Kyrgyzstan	..	..	..	..	..	..	..	..	..	..	..	..
TFYR Macedonia	..	..	..	..	..	..	..	..	..	..	..	..
Maldives	20.58	21.71	22.20	20.38	19.23	20.02	19.97	21.46	20.66	21.22	20.25	20.68
Moldova, Rep. of	..	..	..	..	..	..	..	..	..	..	..	..
Morocco	22.88	22.36	25.55	25.40	23.81	23.82	..	..	..	24.04	23.81	23.97
Nicaragua* (96)	14.63	20.10	22.14	20.86	21.90	23.89	..	..	..	19.43	22.89	20.59
Papua New Guinea	20.07	17.73	18.65	19.28	18.90	..	..	..	..	18.93	18.90	18.93
Philippines	14.08	14.61	15.44	15.61	16.03	16.29	16.94	17.02	..	14.93	16.57	15.75
Romania	30.93	32.86	33.04	29.64	26.37	26.15	24.39	24.36	..	31.62	25.32	28.47
Senegal	..	..	..	..	..	..	..	..	..	..	..	..
Solomon Islands	20.30	18.95	..	..	..	..	..	..	..	19.62	..	19.62
Sri Lanka	19.02	18.31	17.95	17.47	17.17	17.75	16.93	16.01	14.53	18.19	16.48	17.24
Suriname* (95)	..	..	..	..	..	..	..	..	..	..	..	..
Swaziland	30.10	29.66	..	..	..	..	..	..	..	29.88	..	29.88
Syrian Arab Republic	16.71	18.09	19.40	17.46	17.47	18.69	16.50	16.44	..	17.91	17.27	17.59
Turkmenistan* (96)	..	..	..	..	..	..	..	..	..	..	..	..
Ukraine	..	..	..	..	..	..	..	..	..	..	..	..
Uzbekistan	..	..	..	..	..	..	..	..	..	..	..	..
Zimbabwe	21.69	19.96	22.05	22.97	19.85	23.16	22.81	26.37	..	21.67	23.05	22.36
Average	..	..	..	..	..	..	..	..	..	18.48	16.72	17.55

**1. Central Government Tax Revenue (as % of GDP) (cont.)**

Group 3	1990	1991	1992	1993	1994	1995	1996	1997	1998	Average 1990-1993	Average 1994-1998	Average
Algeria	..	..	..	..	27.00	28.95	30.67	..	..	..	28.87	28.87
Belarus	..	..	30.65	36.77	32.81	29.64	29.45	31.79	28.71	33.71	30.48	31.40
Belize	..	..	..	..	..	..	..	..	..	..	..	..
Botswana	27.68	25.71	27.84	23.59	19.26	16.19	14.75	..	..	26.21	16.73	22.15
Brazil	19.03	15.87	16.47	18.50	20.12	..	..	..	..	17.47	20.12	18.00
Chile	16.26	18.19	18.90	19.62	18.96	18.36	19.64	18.94	18.36	18.24	18.85	18.58
Colombia	8.80	10.31	10.52	11.01	9.97	9.69	9.88	10.59	10.10	10.16	10.05	10.10
Costa Rica	19.68	20.25	21.71	22.51	22.04	22.54	23.12	..	..	21.04	22.57	21.69
Croatia* (96)	..	31.90	31.61	33.75	40.14	41.37	41.50	40.29	43.28	32.42	41.32	37.98
Dominican Republic	10.84	10.28	14.59	15.64	14.80	14.56	13.88	15.54	..	12.84	14.69	13.76
Ecuador	17.80	14.98	15.57	15.20	13.87	..	..	..	..	15.89	13.87	15.48
El Salvador	..	..	..	..	..	..	..	..	..	..	..	..
Estonia	..	25.63	21.33	27.96	33.82	31.55	29.70	30.46	29.93	24.97	31.09	28.80
Fiji	22.03	20.53	21.24	21.26	21.55	22.41	21.29	..	..	21.26	21.75	21.47
Gabon	13.98	20.46	..	..	..	..	..	..	..	17.22	..	17.22
Guatemala	..	..	..	..	..	..	..	..	..	..	..	..
Hungary	44.71	39.57	38.85	39.19	37.63	35.61	33.78	32.55	31.43	40.58	34.20	37.03
Iran, Islamic Rep. of* (95)	7.25	8.17	9.05	5.89	6.38	6.82	8.48	9.29	11.25	7.59	8.44	8.06
Jamaica	..	..	..	..	..	..	..	..	..	..	..	..
Jordan	18.63	18.60	23.45	21.06	20.51	21.41	22.61	19.79	..	20.43	21.08	20.76
Latvia	..	..	..	..	23.98	24.48	24.92	28.62	28.02	..	26.00	26.00
Lithuania	..	..	..	..	..	..	..	..	..	..	..	..
Mauritius	20.65	21.48	20.06	19.50	19.48	17.41	16.25	17.61	17.68	20.42	17.68	18.90
Mexico	13.71	13.54	13.70	13.50	13.03	12.79	12.73	13.04	..	13.61	12.90	13.25
Namibia	26.27	30.84	29.12	29.53	..	..	..	..	..	28.94	..	28.94
Panama* (96)	17.72	18.46	17.78	18.34	17.96	17.19	16.06	18.41	..	18.07	17.40	17.74
Paraguay	9.17	8.98	9.99	9.08	..	..	..	..	..	9.30	..	9.30
Peru	9.38	10.48	11.87	11.78	12.96	13.53	14.01	13.98	13.72	10.88	13.64	12.41
Poland	..	..	..	..	35.30	34.54	34.16	33.33	32.68	..	34.00	34.00
Russian Federation	..	..	..	..	19.43	18.38	..	..	..	..	18.90	18.90
Slovakia	..	..	..	..	..	..	..	..	..	..	..	..
South Africa	24.30	24.05	21.71	22.87	22.59	22.96	23.61	24.05	24.60	23.23	23.56	23.41
Thailand	17.06	17.68	15.90	16.18	16.65	16.89	17.23	16.63	14.52	16.71	16.39	16.53
Trinidad and Tobago	..	..	..	23.99	22.00	23.30	..	..	..	23.99	22.65	23.10
Tunisia	24.01	23.93	23.99	24.49	25.06	25.06	24.85	..	..	24.10	24.99	24.48
Turkey	11.56	12.50	12.97	13.34	15.20	13.98	15.20	19.05	..	12.59	15.86	14.22
Venezuela	18.41	18.47	14.07	13.78	14.62	13.22	13.88	17.33	12.76	16.18	14.36	15.17
Average	..	..	..	..	..	..	..	..	..	19.93	21.16	20.89

**1. Central Government Tax Revenue (as % of GDP) (cont.)**

Group 4	1990	1991	1992	1993	1994	1995	1996	1997	1998	Average 1990-1993	Average 1994-1998	Average
Argentina	9.37	9.97	11.36	13.65	13.60	12.94	12.08	12.41	..	11.09	12.76	11.92
Australia	23.84	23.81	21.40	20.50	20.28	21.31	22.41	22.87	22.75	22.39	21.92	22.13
Austria	31.43	31.66	33.00	33.49	33.24	33.07	34.47	34.81	..	32.40	33.89	33.15
Bahamas* (95)	14.13	13.86	15.10	14.41	16.14	17.19	16.44	16.71	16.26	14.38	16.55	15.58
Bahrain* (96)	7.97	7.71	7.41	8.07	7.74	8.16	8.25	7.47	10.15	7.79	8.35	8.10
Barbados* (95)	..	..	..	..	..	..	..	..	..	..	..	..
Belgium	41.46	41.43	41.20	42.04	43.02	42.92	43.00	43.32	..	41.53	43.07	42.30
Brunei	..	..	..	..	..	..	..	..	..	..	..	..
Canada	18.33	18.83	18.62	17.81	18.19	18.07	..	..	..	18.40	18.13	18.31
Czech Republic	..	..	..	35.07	33.34	32.31	31.99	32.08	31.59	35.07	32.26	32.73
Denmark	32.26	32.14	32.31	33.56	33.95	33.69	..	..	..	32.57	33.82	32.99
Finland	28.30	28.39	29.38	28.10	29.18	27.62	28.49	28.12	..	28.54	28.35	28.45
France	37.62	37.80	37.51	37.50	37.57	38.07	38.84	39.19	..	37.61	38.42	38.01
Germany	..	26.96	27.78	27.54	27.97	28.03	27.11	26.85	26.46	27.42	27.28	27.34
Greece* (96)	26.00	18.15	18.94	18.56	19.28	19.44	19.49	20.59	..	20.41	19.70	20.06
Hong Kong (China)	..	..	..	..	..	..	..	..	..	..	..	..
Iceland* (96)	25.23	25.57	26.18	25.41	25.26	25.41	26.53	25.25	..	25.60	25.61	25.60
Ireland	32.77	33.12	33.26	33.10	33.69	31.23	31.62	..	..	33.06	32.18	32.68
Israel	33.73	25.20	33.30	33.82	34.47	35.35	34.65	36.58	36.37	31.51	35.48	33.72
Italy	37.28	38.18	38.97	41.10	38.50	38.29	40.61	42.34	38.60	38.88	39.67	39.32
Japan	13.66	19.25	17.71	17.64	..	..	..	..	..	17.06	..	17.06
Korea, Republic of	15.86	14.87	15.36	15.69	16.03	16.49	17.30	17.30	..	15.45	16.78	16.11
Kuwait* (95)	1.55	0.26	0.09	1.09	1.42	1.17	0.99	1.18	1.54	0.74	1.26	1.03
Luxembourg* (96)	37.49	36.68	38.26	40.48	41.04	40.98	42.25	41.92	..	38.23	41.55	39.89
Macao (China)	..	..	..	..	..	..	..	..	..	..	..	..
Malaysia	19.63	21.23	20.71	20.53	20.91	20.20	19.73	18.93	..	20.52	19.94	20.23
Malta	25.59	25.39	26.01	27.09	25.54	28.81	27.12	29.00	..	26.02	27.62	26.82
Netherlands	..	..	..	..	..	..	..	..	..	..	..	..
New Zealand	36.35	33.60	30.92	29.97	31.85	31.49	32.68	30.98	32.08	32.71	31.81	32.21
Norway	32.27	32.42	31.67	30.88	31.72	32.45	32.54	34.08	..	31.81	32.70	32.25
Oman* (95)	10.38	8.36	7.70	6.87	8.14	8.47	7.52	8.86	6.40	8.33	7.88	8.08
Portugal	28.37	29.37	31.33	29.62	30.46	30.62	31.07	32.15	..	29.67	31.07	30.37
Saudi Arabia	..	..	..	..	..	..	..	..	..	..	..	..
Singapore	15.44	16.12	17.16	17.17	17.56	16.56	16.74	16.12	..	16.47	16.74	16.61
Slovenia	..	..	..	..	..	..	..	..	..	..	..	..
Spain	28.78	29.00	29.66	28.76	28.88	28.34	28.13	..	..	29.05	28.45	28.79
Sweden	38.39	35.68	35.49	30.64	29.19	33.68	36.77	36.93	35.83	35.05	34.48	34.73
Switzerland	19.44	19.43	19.89	20.46	21.11	21.57	22.08	21.99	..	19.81	21.69	20.75
United Kingdom	33.30	34.28	33.70	31.89	32.85	33.57	33.93	34.37	36.37	33.29	34.22	33.81
United States	18.00	17.98	17.58	17.82	18.31	18.74	19.18	19.75	20.47	17.85	19.29	18.65
Uruguay	25.15	27.18	27.48	30.66	29.90	27.28	27.73	29.34	29.96	27.62	28.84	28.30
Average	..	..	..	..	..	..	..	..	..	25.24	26.11	25.53

Appendix 2. Local Government Tax Revenue (as % of GDP)

Group 1	1990	1991	1992	1993	1994	1995	1996	1997	Average 1990-1993	Average 1994-1997	Average 1990-1997
Azerbaijan											
Bangladesh											
Benin											
Bhutan* (95)											
Burkina Faso											
Burundi											
Cambodia											
Central African Republic											
Chad											
Comoros											
Democratic Republic of Congo											
Eritrea											
Ethiopia											
Gambia											
Ghana											
Guinea-Bissau											
Haiti											
India	5.50	5.55	5.46	5.36	5.46	5.32			5.47	5.39	5.44
Kenya (local)	0.45	0.37	0.46	0.39	0.46				0.42	0.46	0.43
Lao People's Democratic Rep.											
Lesotho											
Madagascar											
Malawi											
Mali											
Mauritania											
Mongolia (local)				6.84	6.32	5.94	5.24		8.07	5.83	6.73
Mozambique			9.31								
Nepal											
Niger											
Nigeria											
Pakistan											
Rwanda											
Sierra Leone											
Sudan											
Tajikistan* (96)											
Tanzania, United Rep. of											
Togo											
Uganda											
Viet Nam											
Yemen											
Zambia											
Average									4.65	3.89	4.20

2. Local Government Tax Revenue (as % of GDP) (cont.)

Group 2	1990	1991	1992	1993	1994	1995	1996	1997	Average 1990-1993	Average 1994-1997	Average 1990-1997
Albania											
Angola											
Armenia											
Bolivia											
Bolivia(local)											
Bolivia (local and state summed)	1.51	1.73	1.91	2.15	2.02	2.69	3.36	3.55	1.82	2.90	2.36
Bulgaria	10.00	8.09	6.82	5.42	3.92	3.30	3.41	3.38	7.58	3.50	5.54
Cameroon											
Cape Verde											
China											
Congo											
Côte d'Ivoire											
Egypt											
Equatorial Guinea											
Georgia											
Guinea											
Guyana* (95)											
Honduras											
Indonesia	0.52	0.48	0.46	0.42					0.47		0.47
Kazakhstan											
Kyrgyzstan											
TFYR Macedonia											
Maldives											
Moldova, Rep. of											
Morocco											
Nicaragua* (local)	0.07	2.17	2.77	2.06		2.15			1.77	2.15	1.84
Papua New Guinea											
Philippines (local)	0.59	0.61	0.55						0.58		0.58
Romania (local)	4.55	0.73	0.48	1.62	1.82	2.69	2.63		1.84	2.38	2.07
Senegal											
Solomon Islands											
Sri Lanka											
Suriname* (95)											
Swaziland											
Syrian Arab Republic											
Turkmenistan* (96)											
Ukraine											
Uzbekistan											
Zimbabwe (local)	0.77	1.21							0.99		0.99
Average									2.15	2.73	1.98



2. Local Government Tax Revenue (as % of GDP) (cont.)

Group 3	1990	1991	1992	1993	1994	1995	1996	1997	Average 1990-1993	Average 1994-1997	Average 1990-1997
Algeria											
Belarus (local)			12.72	14.88	12.53	9.32	9.15		13.80	10.33	11.72
Belize											
Botswana (local)	0.02				0.13				0.02	0.13	0.08
Brazil											
Brazil(local)											
Brazil(local and state summed)	8.50	8.53	7.87	7.40	9.17				8.07	9.17	8.29
Chile (local)			1.09	1.15	1.06	1.24	1.34		1.12	1.21	1.17
Colombia											
Costa Rica											
Croatia* (local)											
Dominican Republic											
Ecuador											
El Salvador											
Estonia(local)		8.63	8.46	8.64	5.10	4.85	5.09	5.05	8.58	5.02	6.54
Fiji											
Gabon											
Guatemala (local)	0.09	0.15	0.13	0.14					0.13		0.13
Hungary (local)	3.70	2.60	3.12	2.51	2.42	2.77	3.00	3.23	2.98	2.85	2.92
Iran, Islamic Rep. of * (95)											
Jamaica											
Jordan											
Latvia (local)					5.63	6.93	6.85	5.35		6.19	6.19
Lithuania (local)			0.60	6.54	7.05	7.02	6.05	4.93	3.57	6.26	5.36
Mauritius											
Mexico											
Mexico (local)											
Mexico(local and state)	3.21	3.30	3.47	3.58	3.57	3.22	3.33		3.39	3.38	3.38
Namibia											
Panama* (96)											
Paraguay (local)	0.07	0.07	0.08	0.19					0.10		0.10
Peru	0.03	0.04	0.04	0.05	0.06	0.07	0.07	0.07	0.04	0.07	0.05
Poland (local)					2.96	2.95	3.41	3.51		3.21	3.21
Russian Federation (local)					12.74	12.27				12.51	12.51
Slovakia											
South Africa (local)		1.44	1.46	1.57	1.54	1.39	1.37	1.34	1.49	1.41	1.44
Thailand (local)		0.95	0.98	1.07	1.09	1.05	1.12		1.00	1.09	1.04
Trinidad and Tobago											
Tunisia											
Turkey											
Venezuela											
Average									3.41	4.49	4.01

## 2. Local Government Tax Revenue (as % of GDP) (cont.)

Group 4	1990	1991	1992	1993	1994	1995	1996	1997	Average 1990-1993	Average 1994-1997	Average 1990-1997
Argentina	5.79	7.05	8.48	9.10	8.95	8.64	8.78		7.60	8.79	8.11
Australia											
Australia (local)											
Australia (local and state)	5.78	6.09	5.49	6.29	6.54	6.46	6.54	6.65	5.91	6.55	6.23
Austria (local and state)	8.69	8.91	9.03	8.86	9.19	8.34	8.85		8.88	8.79	8.84
Bahamas* (95)											
Bahrain* (96)											
Barbados* (95)											
Belgium (local)	1.96	2.19	2.25	1.96	2.16	2.43			2.09	2.29	2.16
Brunei											
Canada											
Canada (local)											
Canada (local and state)	17.89	17.97	17.61	17.71	13.72				17.79	13.72	16.98
Czech Republic (local)											
Denmark (local)	14.54	14.55	14.73	15.03	15.29	15.52	4.59	4.56	3.75	4.71	4.52
Finland (local)	9.89	9.63	9.46	9.56	10.39	9.82	10.66		9.63	10.29	9.92
France (local)	3.96	4.00	4.04	4.26	4.35	4.31	4.62	4.71	4.06	4.50	4.28
Germany	8.09	7.32	8.11	8.19	7.99	8.46	8.43	8.12	7.93	8.25	8.09
Greece* (96)											
Hong Kong (China)											
Iceland* (96)	0.43	0.43	0.39	0.31							
Ireland (local)	0.84	0.85	0.85	0.82	0.83	0.78			0.84	0.81	0.83
Israel (local)	2.50	1.81	2.32	2.30	2.32	2.30					
Italy							2.87	2.89		2.79	2.79
Japan											
Korea, Republic of											
Kuwait* (95) (local)											
Luxembourg* (96)	2.55	2.56	2.12	2.49	2.51	2.55	2.75		2.43	2.61	2.51
Macao (China)											
Malaysia											
Malta											
Netherlands	1.49	1.33	1.41	1.59	1.60	1.65	1.84	1.85	1.45	1.74	1.60
New Zealand (local)											
Norway (local)	8.52	8.38	8.32	8.29	8.64	8.17	7.92	2.09	8.38	8.24	8.32
Oman* (95)											
Portugal	1.05	1.03	1.09	1.09	1.07	1.15	1.18		1.06	1.13	1.09
Saudi Arabia											
Singapore											
Slovenia											
Spain (local)	2.78	2.79	2.94	2.92	2.79	2.92			2.86	2.86	2.86
Sweden (local)	15.07	16.05	18.68	17.69	16.00	15.25	16.73	16.24			
Switzerland (local)	4.67	4.63	4.68	4.90	4.98	5.00			4.72	4.99	4.81
United Kingdom (local)	2.09	1.34	1.45	1.28	1.20	1.25					
United States (local and state)	8.78	8.93	9.00	9.11	9.03	9.07	7.67		8.96	8.59	8.80
Uruguay											
Average									6.28	6.16	6.19

Sources: Government Finance Statistical Yearbook 1998, IMF - International Financial Statistics 2000, IMF

**Appendix 3. Urban Informal Sector Employment (as % of Total Urban Employment)**

Group 1	Year	Total	Male	Female
Azerbaijan				16.0
Bangladesh	1993	10.0	10.0	41.4
Benin	1992	47.9	52.5	53.4
Bhutan* (95)				
Burkina Faso				
Burundi				
Cambodia				
Central African Republic				
Chad				
Comoros				
Democratic Republic of Congo				
Eritrea				
Ethiopia	1996	33.0	19.3	82.7
Gambia	1993	72.4	66.1	...
Ghana	1997	78.5	...	...
Guinea-Bissau				
Haiti				
India	1993	44.2	...	...
Kenya	1995	58.1	...	...
Lao People's Democratic Rep.				
Lesotho				
Madagascar	1995	57.5	...	...
Malawi				
Mali	1996	71.0	...	80.6
Mauritania				
Mongolia				
Mozambique				
Nepal				
Niger				
Nigeria				
Pakistan	1992	67.1	65.9	80.5
Rwanda				
Sierra Leone				
Sudan				
Tajikistan* (96)				
Tanzania, United Rep. of	1995	67.0	59.7	...
Togo				
Uganda	1993	83.7	67.6	85.3
Viet Nam				
Yemen				
Zambia	1993	80.7	...	63.8
Average		59.3	48.7	63.0

### 3. Urban Informal Sector Employment (as % of Total Urban Employment) (cont.)

Group 2	Year	Total	Male	Female
Albania				
Angola				
Armenia				
Bolivia	1996	58.5	54.0	...
Bulgaria				
Cameroon	1993	57.3	...	73.3
Cape Verde				
China				
Congo				
Côte d'Ivoire	1996	52.7	37.3	...
Egypt				
Equatorial Guinea				
Georgia				
Guinea				
Guyana* (95)				
Honduras	1995	49.0	...	22.7
Indonesia	1995	20.6	19.1	...
Kazakhstan	1996	17.3	...	...
Kyrgyzstan	1994	11.9	...	...
TFYR Macedonia				
Maldives				
Moldova, Rep. of				
Morocco	1988	28.2	...	19.4
Nicaragua* (96)				
Papua New Guinea				
Philippines	1995	17.0	15.8	...
Romania				
Senegal				
Solomon Islands				
Sri Lanka	1985	...	...	5.3
Suriname* (95)				
Swaziland				
Syrian Arab Republic				
Turkmenistan* (96)				
Ukraine	1997	4.9	4.5	27.6
Uzbekistan				
Zimbabwe				
Average		31.74	26.14	29.66

### 3. Urban Informal Sector Employment (as % of Total Urban Employment) (cont.)

Group 3		Year	Total	Male	Female
Algeria					
Belarus					
Belize					
Botswana		1996	19.3	12.3	...
Brazil		1995	48.2	...	27.4
Chile		1997	30.3	31.9	53.4
Colombia		1995	51.5	...	...
Costa Rica		1995	39.6	...	6.6
Croatia* (96)		1997	6.2	5.9	41.6
Dominican Republic					
Ecuador		1997	40.0	39.0	...
El Salvador					
Estonia					
Fiji		1990	43.0	...	...
Gabon					
Guatemala		1989	53.5	...	89.5
Hungary					
Iran, Islamic Rep. of* (95)		1996	17.9	3.4	20.6
Jamaica		1996	23.5	26.2	...
Jordan					
Latvia		1996	9.1	...	4.8
Lithuania		1997	8.5	11.9	...
Mauritius		1992	24.0	...	26.2
Mexico		1996	27.4	28.1	...
Namibia					
Panama* (96)		1995	33.7	...	46.0
Paraguay		1996	46.4	47.0	57.5
Peru		1997	51.9	47.7	11.0
Poland		1995	12.8	14.3	10.9
Russian Federation					
Slovakia		1996	19.2	25.0	26.4
South Africa		1995	17.4	11.1	49.4
Thailand		1994	47.6	46.1	78.6
Trinidad and Tobago		1994	76.8	75.3	...
Tunisia		1981	38.6	...	...
Turkey		1993	15.0	...	39.5
Venezuela		1997	42.4	44.2	...
Average			32.5	29.3	36.8

### 3. Urban Informal Sector Employment (as % of Total Urban Employment) (cont.)

Group 4	Year	Total	Male	Female
Argentina	1995	45.7	...	26.8
Australia				
Austria				
Bahamas* (95)				
Bahrain* (96)				
Barbados* (95)				
Belgium				
Brunei				
Canada				
Czech Republic				
Denmark				
Finland				
France				
Germany				
Greece* (96)				
Hong Kong (China)				
Iceland* (96)				
Ireland				
Israel				
Italy				
Japan				
Korea, Republic of				
Kuwait* (95)				
Luxembourg* (96)				
Macao (China)				
Malaysia				
Malta				
Netherlands				
New Zealand				
Norway				
Oman* (95)				
Portugal				
Saudi Arabia				
Singapore				
Slovenia				
Spain				
Sweden				
Switzerland				
United Kingdom				
United States				
Uruguay	1997	30.1	32.8	56.9
Average		37.9		41.9

Source: Bureau of Statistics

**Appendix 4. Public Social Security Expenditure (as % of GDP)**

Group 1	Total social security expenditure ( as % of GDP)					Pensions					Health care					Total social security expenditure ( as % of total public expenditure)			
	1985	1990	1996	Average 1990-1996		1985	1990	1996	Average 1990-1996		1985	1990	1996	Average 1990-1996		1990	1996	Average 1990-1996	
Azerbaijan	..	9.5..	..	9.48..	..	..	2.7..	..	2.7..	..	..	2.9..	..	2.9..	..	..	..	..	..
Bangladesh	..	..	..	..	0.0	0.0	0.0	0.0	0.0	..	..	1.2	..	1.2	..	..	..	..	..
Benin	0.7	1.3	2.2	1.79	0.5	0.4	0.2	0.3	0.3	..	0.5	1.7	..	1.1	..	..	..	..	..
Bhutan* (95)	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Burkina Faso	..	1.8	2.2	1.98	0.1	0.2	..	0.2	0.2	..	0.8	0.8	..	0.8	..	10.0	10.0	10.0	10.0
Burundi	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Cambodia	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Central African Republic	..	1.9	..	1.90	..	0.3	..	0.3	0.3	..	1.0	..	..	1.0	..	..	..	..	..
Chad	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Dem. Republic of Congo	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Eritrea	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ethiopia	3.4	3.2	3.7	3.42	1.1	1.0	0.9	1.0	1.0	0.8	0.8	0.9	1.0	1.0	11.1	14.9	13.0	13.0	13.0
Gambia	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ghana	..	2.2	..	2.17	..	0.0	0.2	0.1	0.1	..	1.3	..	..	1.3	..	..	..	..	..
Guinea-Bissau	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Haiti	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	1.7	1.8	1.77	..	..	..	..	..	..	0.9	1.1	..	1.0	..	..	..	..	..
Kenya	..	2.6	2.0	2.30	..	0.4	0.2	0.3	0.3	..	1.7	1.8	..	1.8	..	..	..	..	..
Lao People's Dem. Rep.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Lesotho	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Madagascar	2.2	1.6	1.3	1.43	0.5	0.2	..	0.2	0.2	..	1.1	1.1	..	1.1	..	..	..	..	..
Malawi	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Mali	1.6	3.1	..	3.05	1.0	0.4	..	0.4	0.4	..	1.6	1.2	..	1.4	..	..	..	..	..
Mauritania	..	1.0	0.8	0.86	..	0.2	0.2	0.2	0.2	..	..	..	..	..	..	..	..	..	..
Mongolia	..	..	..	8.84	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Mozambique	..	..	4.7	4.70	0.1	..	0.0	0.0	0.0	..	4.4	4.6	..	4.5	..	26.4	26.4	26.4	26.4
Nepal	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Niger	..	1.9	..	1.90	..	0.1	..	0.1	0.1	..	1.5	..	..	1.5	..	..	..	..	..
Nigeria	..	1.0	..	1.00	..	0.0	..	0.0	0.0	..	1.0	..	..	1.0	..	..	..	..	..
Pakistan	1.1	..	..	..	0.3	..	0.0	0.0	0.0	0.8	0.8	0.8	..	0.8	..	..	..	..	..
Rwanda	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Sierra Leone	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Sudan	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Tajikistan* (96)	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Tanzania, United Rep. of	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Togo	1.2	..	2.8	2.80	0.9	..	0.6	0.6	0.6	1.3	1.2	1.2	..	1.3	..	..	..	..	..
Uganda	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Viet Nam	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Yemen	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Zambia	0.8	..	2.5	2.45	0.4	..	..	..	..	..	..	2.2	..	2.2	..	..	..	..	..
Average	..	2.51	2.98	3.05	..	0.5	0.3	0.4	0.4	1.5	1.7	1.7	..	1.7	17.1	16.5	16.5	16.5	16.5

#### 4. Public Social Security Expenditure (as % of GDP) (cont.)

	Total social security expenditure (as % of GDP)					Pensions					Health Care					Total social security expenditure (as % of total public expenditure)			
	1985	1990	1996	Average 1990-1996	1985	1990	1996	Average 1990-1996	1985	1990	1996	Average 1990-1996	1985	1990	1996	Average 1990-1996	1990	1996	Average 1990-1996
<b>Group 2</b>																			
Albania	..	..	10.9	10.85..	..	..	5.7	5.7..	..	..	..	..	..	..	2.4	2.4..	..	35.0	35.0
Angola																			
Armenia																			
Bolivia	..	4.2	7.0	5.64..	2.0..	2.0..	7.1	7.9..	2.0..	1.1	2.3	1.7	23.8	29.3	29.3	1.7	23.8	29.3	26.5
Bulgaria	..	16.5	13.2	14.85..	8.7	8.7	7.1	7.9..	8.7	3.7	3.3	3.5	25.3	24.3	24.3	3.5	25.3	24.3	24.8
Cameroon	1.7	2.2..	..	2.23	0.4	0.2..	0.2..	0.2..	0.2..	0.7	1.0	0.9	10.7..	..	..	0.9	10.7..	..	10.7
Cape Verde	..	5.0..	..	5.00..	..	0.2..	..	0.2..	..	3.6..	..	3.6..	..	..	..	3.6..	..	..	..
China	..	5.2	3.6	4.40..	2.6	2.6	1.5	2.0..	2.6	1.4	2.1	1.8..	..	..	..	1.4	..	..	23.9
Congo	..	2.2	4.2	3.17	0.7	0.9..	..	0.9..	0.9..	1.5	3.2	2.3..	..	..	..	1.5	..	..	..
Côte d'Ivoire																			
Egypt	4.8	4.8	5.4	5.09	2.3..	..	..	..	..	1.1	0.9	0.9	15.7	15.8	15.8	0.9	15.7	15.8	15.7
Equatorial Guinea																			
Georgia																			
Guinea	..	..	..	..	..	..	..	..	..	1.2	1.2	1.2..	..	..	..	1.2	..	..	..
Guyana* (95)	..	4.5	5.8	5.16	1.1	0.6	0.9	0.8..	1.1	3.4	4.3	3.9..	..	..	..	3.4	..	..	..
Honduras																			
Indonesia	..	..	1.7	1.74..	..	..	0.0	0.0..	..	0.6	0.6	0.6..	..	..	..	0.6	..	..	9.8
Kazakhstan																			
Kyrgyzstan																			
Macedonia, The Former Yugoslav Rep. of																			
Maldives																			
Moldova, Rep. of	..	..	15.5	15.50..	..	..	7.4	7.4..	..	..	6.3	6.3..	..	..	..	..	..	..	..
Morocco	1.7	2.4	3.4	2.89	1.6	0.5..	..	0.5..	1.6	0.9	1.0	1.0	8.4	10.1	10.1	0.9	8.4	10.1	9.2
Nicaragua* (96)	..	7.8	9.1	8.43..	..	..	1.4	1.4..	..	4.8	4.3	4.6	21.6	28.1	28.1	4.8	21.6	28.1	24.8
Papua New Guinea																			
Philippines	..	1.7..	..	1.70..	..	0.5..	..	0.5..	..	0.8	1.3	1.1..	..	..	..	0.8	..	..	..
Romania	..	..	12.4	12.45..	..	..	6.8	6.8..	..	..	2.9	2.9..	..	..	..	..	..	..	..
Senegal	..	4.3..	..	4.30	1.2	1.0..	..	1.0..	1.2	2.8	2.5	2.7..	..	..	..	2.8	..	..	..
Solomon Islands																			
Sri Lanka	2.5..	..	4.7	4.70	2.4..	..	2.4	2.4..	2.4..	1.6	1.5	1.5..	..	..	..	1.6	..	..	..
Suriname* (95)																			
Swaziland																			
Syrian Arab Republic																			
Turkmenistan* (96)	..	..	19.8	19.80..	..	..	9.6	9.6..	..	..	4.1	4.1..	..	..	..	..	..	..	..
Ukraine																			
Uzbekistan																			
Zimbabwe																			
<b>Average</b>		<b>5.1</b>	<b>8.3</b>	<b>7.11</b>		<b>1.71</b>	<b>4.27</b>	<b>2.90</b>		<b>1.94</b>	<b>2.51</b>	<b>2.46</b>	<b>17.58</b>	<b>23.43</b>	<b>23.43</b>	<b>2.46</b>	<b>17.58</b>	<b>23.43</b>	<b>21.53</b>





#### 4. Public Social Security Expenditure (as % of GDP) (cont.)

	Total social security expenditure (as % of GDP)				Pensions				Health Care				Total social security expenditure (as % of total public expenditure)		
	1985	1990	1996	Average 1990-1996	1985	1990	1996	Average 1990-1996	1985	1990	1996	Average 1990-1996	1990	1996	Average 1990-1996
<b>Group 4</b>															
Argentina	6.6	9.8	12.4	11.10		3.6	4.1	3.8	1.1	4.4	4.3	4.4	35.8	41.2	38.5
Australia	14.0	14.5	15.7	15.10	4.6	4.6	4.6	4.6	5.5	5.6	5.7	5.7	38.7	41.5	40.1
Austria	24.4	24.2	26.2	25.20	14.0	13.9	14.9	14.4	5.1	5.3	5.8	5.6	49.1	49.4	49.3
Bahamas* (95)	5.8	4.2	4.2	4.21	1.1	1.0	3.3	1.0	3.3	2.7	2.5	2.6	23.7	23.7	23.7
Bahrain* (96)	..	3.4	4.2	3.82	0.2	0.6	..	0.6	..	2.6	2.9	2.8	10.0	13.7	11.8
Barbados* (95)	..	8.6	10.0	9.30	4.0	3.4	4.1	3.7	..	3.1	4.4	3.8	..	..	..
Belgium	27.5	25.6	27.1	26.35	12.3	11.2	12.0	11.6	6.0	6.7	6.9	6.8	47.4	50.1	48.8
Canada	16.4	17.6	17.7	17.65	4.2	4.8	5.4	5.1	6.1	6.7	6.6	6.7	36.9	40.1	38.5
Czech Republic	..	16.0	18.8	17.40	..	7.3	8.1	7.7	..	4.6	6.8	5.7	..	38.6	38.6
Denmark	25.9	28.7	33.0	30.85	7.5	8.2	9.6	8.9	5.3	5.3	5.2	5.2	47.9	52.5	50.2
Finland	23.4	25.2	32.3	28.73	10.3	10.6	13.2	11.9	5.7	6.5	5.4	5.9	53.8	53.8	53.8
France	27.0	26.7	30.1	28.36	12.0	12.2	13.3	12.7	6.5	6.6	8.0	7.3	53.4	55.3	54.4
Germany	26.3	25.5	29.7	27.58	11.1	10.3	12.4	11.4	7.2	6.7	8.3	7.5	54.3	52.1	53.2
Greece* (96)	19.5	19.8	22.7	21.23	11.6	12.7	11.7	12.2	3.3	3.5	4.5	4.0	57.8	67.4	62.6
Iceland* (96)	7.3	15.7	18.6	17.15	3.5	2.8	5.7	4.3	3.6	7.7	7.5	7.6	38.2	47.0	42.6
Ireland	22.9	19.2	17.8	18.52	6.6	5.9	5.1	5.5	6.6	5.9	5.1	5.5	47.0	50.2	48.6
Israel	15.2	14.2	24.1	19.15	..	5.9	5.9	5.9	3.6	2.7	7.6	5.2	27.5	47.4	37.4
Italy	21.6	23.1	23.7	23.40	12.5	13.5	15.0	14.2	5.5	6.3	5.4	5.9	42.9	45.5	44.2
Japan	11.4	11.3	14.1	12.70	5.2	5.5	6.8	6.2	4.7	4.6	5.6	5.1	35.8	37.4	36.6
Korea, Republic of	..	4.1	5.6	4.85	..	0.9	1.4	1.2	..	1.7	2.1	1.9	22.3	21.2	21.8
Kuwait* (95)	..	9.4	9.6	9.49	1.5	3.5	..	3.5	..	3.5	2.7	3.1	20.7	23.2	22.0
Luxembourg* (96)	24.0	23.4	25.2	24.31	13.0	11.9	12.6	12.3	5.5	6.1	6.5	6.3	48.4	51.4	49.9
Malaysia	2.0	2.7	2.9	2.80	1.9	1.0	..	1.0	..	1.5	1.4	1.5	8.9	13.4	11.1
Malta	19.0	13.3	..	13.34	14.4	..	..	..	3.5	..	..	..	..	..	..
Netherlands	28.9	29.7	26.7	28.19	12.2	13.6	11.4	12.5	5.9	6.1	6.8	6.4	51.6	51.4	51.5
New Zealand	17.6	22.2	19.2	20.73	7.9	8.2	6.5	7.3	4.4	5.8	5.4	5.6	..	..	..
Norway	20.0	27.1	28.5	27.80	7.3	9.1	8.9	9.0	5.7	6.7	7.0	6.8	52.7	57.7	55.2
Oman* (95)	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Portugal	13.2	14.6	19.0	16.80	6.4	7.4	9.9	8.7	3.9	4.3	5.0	4.7	34.9	..	34.9
Saudi Arabia	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Singapore	..	..	3.3	3.33	..	..	1.4	1.4	..	1.8	1.3	1.6	..	..	..
Spain	18.5	19.6	22.0	20.80	9.2	9.4	10.9	10.2	4.6	5.4	5.8	5.6	45.8	56.7	51.3
Sweden	31.1	32.2	34.7	33.43	10.1	10.3	13.8	12.0	8.1	7.9	6.1	7.0	53.0	50.0	51.5
Switzerland	17.4	20.1	25.9	23.01	9.4	10.1	12.8	11.4	4.8	5.3	6.6	6.0	44.2	49.3	46.8
United Kingdom	21.1	19.6	22.8	21.20	8.3	8.9	10.2	9.6	4.9	5.2	5.7	5.5	46.4	54.9	50.6
United States	13.4	14.1	16.5	15.30	6.8	6.6	7.2	6.9	4.4	5.6	7.6	6.6	40.6	48.8	44.7
Uruguay	..	14.2	22.4	18	..	..	8.7	8.7	..	1.2	2.0	1.6	54.7	67.8	61.2
<b>Average</b>	<b>17.6</b>	<b>20.1</b>	<b>20.1</b>	<b>18.33</b>	<b>7.46</b>	<b>8.92</b>	<b>8.92</b>	<b>7.69</b>	<b>4.87</b>	<b>5.31</b>	<b>5.09</b>	<b>40.81</b>	<b>45.83</b>	<b>42.75</b>	<b>42.75</b>

Source: Bureau of Statistics

**Appendix 5. Public Education Expenditure (as % of GDP)** (Source: World Development Indicators, 1999)

Group 1	1990	1991	1992	1993	1994	1995	1996	1997	Average 1990-1993	Average 1994-1997	Average 1990-1997
Azerbaijan	6.95	6.99	5.83	6.82	4.38	2.92	3.32	3.01	6.65	3.41	5.03
Bangladesh	1.47	1.62	1.72	..	..	..	2.23	..	1.60	2.23	1.76
Benin	..	..	..	..	..	3.17	..	..	..	3.17	3.17
Bhutan* (95)	..	..	..	..	..	..	..	4.13	..	4.13	4.13
Burkina Faso	2.73	2.94	2.99	1.53	3.55	1.36	1.48	..	2.55	2.13	2.37
Burundi	3.43	3.53	3.85	..	4.63	5.08	4.00	..	3.60	4.57	4.09
Cambodia	..	..	..	..	..	..	2.87	..	..	2.87	2.87
Central African Republic	2.21	2.26	..	..	..	..	..	..	2.24	..	2.24
Chad	..	1.66	..	..	1.69	..	..	..	1.66	1.69	1.68
Comoros	..	..	..	..	..	..	..	..	..	..	..
Dem. Rep. of Congo	..	..	..	..	..	..	..	..	..	..	..
Eritrea	..	..	..	..	..	..	1.77	..	..	1.77	1.77
Ethiopia	3.38	3.09	3.42	4.21	4.64	3.99	3.98	..	3.53	4.20	3.82
Gambia	4.13	2.67	..	5.06	5.35	5.61	4.94	..	3.95	5.30	4.63
Ghana	3.29	..	4.54	4.34	4.29	4.78	4.16	..	4.06	4.41	4.23
Guinea-Bissau	..	..	..	..	..	..	..	..	..	..	..
Haiti	1.46	..	..	..	..	..	..	..	1.46	..	1.46
India	3.93	3.73	3.65	3.58	3.54	3.31	3.18	..	3.72	3.34	3.56
Kenya	7.10	6.66	6.66	6.54	7.10	6.74	6.53	..	6.74	6.79	6.76
Lao People's Dem. Rep.	..	..	2.47	1.92	2.78	2.30	2.45	2.13	2.20	2.42	2.34
Lesotho	3.72	6.24	6.61	5.38	6.74	..	8.43	..	5.49	7.59	6.19
Madagascar	2.23	2.65	2.31	2.24	..	..	..	1.91	2.36	1.91	2.27
Malawi	3.39	3.20	4.83	4.43	4.31	5.37	..	..	3.96	4.84	4.26
Mali	..	..	..	..	..	2.18	2.22	..	..	2.20	2.20
Mauritania	..	4.91	4.89	5.07	5.23	5.06	..	..	4.96	5.15	5.03
Mongolia	12.91	11.32	7.08	6.27	6.04	5.98	6.44	5.67	9.40	6.03	7.71
Mozambique	4.12	..	..	..	..	..	..	..	4.12	..	4.12
Nepal	1.97	2.67	2.91	3.31	2.79	3.30	3.12	3.18	2.72	3.10	2.91
Niger	3.24	3.12	4.09	2.88	2.87	2.93	2.63	2.32	3.33	2.69	3.01
Nigeria	0.99	0.53	0.47	0.93	0.92	0.70	..	..	0.73	0.81	0.76
Pakistan	2.67	2.61	2.42	2.60	2.79	2.80	2.95	2.70	2.58	2.81	2.69
Rwanda	..	..	..	..	..	..	..	..	..	..	..
Sierra Leone	..	..	..	..	..	..	..	..	..	..	..
Sudan	0.63	0.37	..	..	..	1.39	0.87	..	0.50	1.13	0.82
Tajikistan* (96)	9.66	8.23	9.33	8.61	..	2.38	2.15	..	8.96	2.27	6.73
Tanzania, United Rep. of	3.36	..	..	..	..	..	..	..	3.36	..	3.36
Togo	5.61	..	6.13	..	..	..	4.51	..	5.87	4.51	5.42
Uganda	1.49	1.95	..	..	2.24	2.57	..	..	1.72	2.41	2.06
Viet Nam	2.06	1.80	2.00	2.65	2.58	2.99	2.93	3.03	2.13	2.88	2.51
Yemen	..	..	..	6.24	6.30	5.42	6.29	7.00	6.24	6.25	6.25
Zambia	..	..	2.33	2.12	2.13	2.19	..	..	2.55	2.16	2.42
Average	2.64	3.11	2.33	2.12	2.13	2.19	..	..	3.71	3.47	3.52

5. Public Education Expenditure (as % of GDP) (cont.)

	1990	1991	1992	1993	1994	1995	1996	1997	Average 1990-1993	Average 1994-1997	Average 1990-1997
<i>Group 2</i>											
Albania	5.84	..	..	..	3.13	..	..	..	5.84	3.13	4.49
Angola	4.91	..	..	..	..	..	..	..	4.91	..	4.91
Armenia	7.29	..	..	..	..	..	1.96	..	7.29	1.96	4.63
Bolivia	2.47	2.56	..	..	4.94	5.93	4.86	..	2.52	5.24	4.15
Bulgaria	5.64	6.04	5.94	5.66	4.66	3.94	3.18	..	5.80	3.93	4.99
Cameroon	3.37	2.93	..	..	..	..	..	..	3.15	..	3.15
Cape Verde	..	3.95	..	..	..	..	..	..	3.95	..	3.95
China	2.33	2.23	2.02	1.86	2.40	2.27	2.33	..	2.11	2.33	2.21
Congo	5.99	8.88	9.56	9.11	7.50	6.10	..	..	8.39	6.80	7.86
Côte d'Ivoire	..	..	7.71	7.95	5.78	5.25	5.03	5.01	7.83	5.27	6.12
Egypt	3.81	4.66	4.41	4.70	4.70	4.79	..	..	4.40	4.75	4.51
Equatorial Guinea	..	..	..	1.73	..	..	..	..	1.73	..	1.73
Georgia	..	..	..	..	5.16	..	..	..	..	5.16	5.16
Guinea	..	2.14	2.10	2.17	1.90	2.00	1.93	1.90	2.14	1.93	2.02
Guyana* (95)	4.83	3.49	5.40	4.79	4.49	4.29	5.05	..	4.63	4.61	4.62
Honduras	..	4.06	..	..	3.48	3.62	..	..	4.06	3.55	3.72
Indonesia	1.04	1.09	1.31	1.78	1.42	1.40	1.38	..	1.31	1.40	1.35
Kazakhstan	3.24	3.86	2.77	..	4.56	4.56	4.68	4.41	3.29	4.55	3.92
Kyrgyzstan	8.32	6.04	..	4.30	6.18	6.68	5.34	..	6.22	6.07	6.14
TFYR Macedonia	..	..	5.29	5.08	5.22	5.02	5.12	..	5.19	5.12	5.15
Maldives	6.29	11.49	11.90	8.44	..	6.41	..	..	9.53	6.41	8.91
Moldova, Rep. of	5.56	5.35	7.33	6.99	9.04	9.17	10.63	..	6.31	9.61	7.72
Morocco	5.48	5.20	5.84	5.97	5.57	5.63	5.28	5.01	5.62	5.42	5.52
Nicaragua* (96)	3.44	4.32	4.07	3.51	3.93	3.71	3.65	3.88	3.84	3.79	3.81
Papua New Guinea	..	..	..	..	..	..	..	..	..	..	..
Philippines	2.90	2.95	2.30	2.42	..	2.96	3.23	3.42	2.64	3.20	2.88
Romania	2.82	3.53	3.61	3.20	3.01	..	3.61	..	3.29	3.31	3.30
Senegal	4.06	..	4.33	4.40	4.00	3.95	3.74	..	4.26	3.90	4.08
Solomon Islands	..	3.83	..	..	..	..	..	..	3.83	..	3.83
Sri Lanka	2.70	3.26	3.32	3.14	3.20	3.04	3.44	..	3.11	3.23	3.16
Suriname* (95)	8.28	7.46	7.18	3.48	..	..	..	..	6.60	..	6.60
Swaziland	5.45	7.20	7.32	6.74	7.68	6.32	5.72	..	6.68	6.57	6.63
Syrian Arab Republic	4.27	4.11	3.17	..	3.85	3.33	4.21	3.10	3.85	3.62	3.72
Turkmenistan* (96)	4.31	3.94	..	..	..	..	..	..	4.13	..	4.13
Ukraine	5.04	6.06	6.52	6.22	7.08	7.27	..	..	5.96	7.18	6.37
Uzbekistan	9.47	9.38	10.24	9.58	8.32	7.44	7.71	..	9.67	7.82	8.88
Zimbabwe	7.99	6.75	7.41	7.13	..	..	..	..	7.32	7.32	7.32
<b>Average</b>									<b>4.90</b>	<b>4.64</b>	<b>4.77</b>

5. Public Education Expenditure (% of GDP) (cont.)

Group 3	1990	1991	1992	1993	1994	1995	1996	1997	Average 1990-1993	Average 1994-1997	Average 1990-1997
Algeria	5.51	5.29	6.12	6.79	6.04	5.81	5.12	..	5.93	5.66	5.81
Belarus	4.88	5.73	6.60	6.78	7.03	5.57	5.91	..	6.00	6.17	6.07
Belize	4.81	4.79	5.28	5.59	5.91	5.31	5.01	..	5.12	5.41	5.24
Botswana	6.89	7.27	7.09	7.76	8.20	8.61	10.27	8.64	7.25	8.93	8.09
Brazil	..	..	..	..	1.68	5.07	..	..	..	3.38	3.38
Chile	2.67	2.69	2.81	2.76	3.05	3.10	3.40	3.57	2.73	3.28	3.01
Colombia	2.52	2.51	3.53	2.91	3.42	3.67	4.12	..	2.87	3.74	3.24
Costa Rica	4.58	4.50	4.38	4.59	4.56	4.64	5.41	..	4.51	4.87	4.67
Croatia* (96)	..	5.98	4.06	..	5.02	5.28	..	..	5.02	5.15	5.09
Dominican Republic	..	..	1.39	1.71	1.95	1.92	1.99	2.29	1.55	2.04	1.88
Ecuador	3.08	2.58	2.66	2.71	3.42	3.44	3.47	..	2.76	3.44	3.05
El Salvador	1.98	1.81	1.88	1.84	2.01	2.19	2.32	2.50	1.88	2.26	2.07
Estonia	..	..	6.15	7.04	6.65	7.05	7.26	7.19	6.60	7.04	6.89
Fiji	4.72	4.82	5.38	..	..	..	..	..	4.97	..	4.97
Gabon	..	..	3.22	..	2.77	2.89	..	..	3.22	2.83	2.96
Guatemala	1.39	1.29	1.45	1.56	1.54	1.70	1.66	..	1.42	1.63	1.51
Hungary	6.11	6.37	6.82	6.66	6.60	5.25	4.63	..	6.49	5.49	6.06
Iran, Islamic Rep. of * (95)	4.11	4.01	4.78	5.43	4.68	4.01	..	..	4.58	4.35	4.50
Jamaica	5.37	4.67	4.65	5.80	5.69	6.35	7.45	..	5.12	6.50	5.71
Jordan	8.86	8.63	7.20	8.16	7.65	8.72	7.94	6.78	8.21	7.77	7.99
Latvia	3.78	4.08	4.54	6.04	6.11	6.71	6.27	..	4.61	6.36	5.36
Lithuania	4.63	5.53	5.26	4.57	5.59	5.61	5.45	..	5.00	5.55	5.23
Mauritius	3.55	3.79	3.65	4.09	4.42	4.20	4.59	..	3.77	4.40	4.04
Mexico	3.73	3.94	4.39	5.11	4.72	4.87	..	..	4.29	4.80	4.46
Namibia	7.49	9.08	9.77	9.44	9.11	8.50	9.26	9.09	8.95	8.99	8.97
Panama* (96)	4.93	4.95	5.32	4.99	4.67	5.22	5.33	5.11	5.05	5.08	5.07
Paraguay	1.12	1.89	2.64	2.86	2.92	3.36	3.94	3.99	2.13	3.55	2.84
Peru	2.29	2.41	2.42	2.64	3.86	..	2.94	..	2.44	3.40	2.76
Poland	..	5.39	5.54	5.46	5.35	5.21	7.47	..	5.46	6.01	5.74
Russian Federation	3.46	3.58	3.75	4.14	..	3.54	..	..	3.73	3.54	3.69
Slovakia	5.12	5.58	5.99	5.27	4.47	5.11	4.98	..	5.49	4.85	5.22
South Africa	6.46	..	6.98	7.07	7.31	6.82	7.95	..	6.84	7.36	7.10
Thailand	3.59	3.56	3.97	4.14	3.80	4.14	4.82	..	3.82	4.25	4.00
Trinidad and Tobago	3.97	4.51	3.82	3.67	4.36	..	3.64	..	3.99	4.00	4.00
Tunisia	6.19	6.27	6.03	6.36	6.59	6.82	6.68	7.68	6.21	6.94	6.58
Turkey	2.14	2.35	2.75	3.34	3.41	2.22	..	..	2.65	2.82	2.70
Venezuela	3.14	4.58	5.28	4.59	5.17	..	..	..	4.40	5.17	4.55
Average	..	..	..	..	..	..	..	..	4.58	4.92	4.72

5. Public Education Expenditure (as % of GDP) (cont.)

Group 4	1990	1991	1992	1993	1994	1995	1996	1997	Average 1990-1993	Average 1994-1997	Average 1990-1997
Argentina	1.12	3.39	3.13	3.26	3.77	3.33	3.46		2.73	3.52	3.07
Australia	5.33	5.46	5.90	5.56	5.38	5.45			5.56	5.42	5.51
Austria	5.39	5.55	5.74	5.47		5.64	5.45		5.54	5.55	5.54
Bahamas* (95)	4.28	4.01							4.15		4.15
Bahrain* (96)	5.01	5.03	4.62	4.35	4.62	4.34	4.18	4.36	4.75	4.38	4.56
Barbados* (95)	7.87	7.56	6.94	7.52	7.20				7.47	7.20	7.42
Belgium	4.99	4.99	5.02	5.54	5.61	3.08	3.10		5.14	3.93	4.62
Brunei	2.54	2.36	2.68	3.05					2.66		2.66
Canada	6.75	7.35	7.54	7.22	6.91				7.22	6.91	7.15
Czech Republic			4.67	5.89	5.58	5.36	5.13		5.28	5.36	5.33
Denmark		7.09		8.10	7.84	7.73	8.15		7.60	7.91	7.78
Finland	5.74	6.83	7.24	8.32	7.57	7.52	7.46		7.03	7.52	7.24
France	5.43	5.77	5.66	5.79	5.94	6.06	6.04		5.66	6.01	5.81
Germany				4.76	4.68	4.77	4.81		4.76	4.75	4.76
Greece* (96)	2.46	2.31		2.75	2.42	2.92	3.10		2.51	2.81	2.66
Hong Kong (China)	2.84	2.92	2.85	2.79		2.92			2.85	2.92	2.86
Iceland* (96)	5.62			5.38	5.04	5.02	5.43		5.50	5.16	5.30
Ireland	5.61	5.71	5.99	6.22	6.28	6.03	5.96		5.88	6.09	5.97
Israel	6.50	6.60	6.85	6.98	7.56				6.73	7.56	6.90
Italy	3.16	3.07	4.20	5.21	4.88	4.74	4.88		3.91	4.83	4.31
Japan			3.57	3.75	3.60				3.66	3.60	3.64
Korea, Republic of	3.45	3.99	4.20	4.43	3.70	3.68			4.02	3.69	3.91
Kuwait* (95)	3.46	9.66	6.11	5.36	5.52	5.16	4.85	5.00	6.15	5.13	5.64
Luxembourg* (96)	2.58	2.57	2.82	3.07	3.13	4.11	3.99		2.76	3.74	3.18
Macao (China)											
Malaysia	5.45	5.65	5.48	5.15	5.18	4.68	5.24	4.95	5.43	5.01	5.22
Malta	4.01	4.14	4.63	5.17	5.25	5.16	5.14		4.49	5.18	4.79
Netherlands	5.95	5.85		5.38	5.22	5.20	5.07		5.73	5.16	5.45
New Zealand	6.55	7.39	7.42	6.99	6.79	7.53	7.32		7.09	7.21	7.14
Norway	7.29	7.41	7.71	8.17	8.25	8.08	7.45		7.65	7.93	7.77
Oman* (95)	3.51	3.77	4.00	4.62	4.80	4.52			3.98	4.66	4.20
Portugal	4.23	4.82	5.12	5.50	5.31	5.25	5.76		4.92	5.44	5.14
Saudi Arabia	6.03	5.45	6.30	6.76	6.20	5.42	5.11	7.54	6.14	6.07	6.10
Singapore	3.01	3.73	3.15	3.10	3.04	2.98			3.25	3.01	3.17
Slovenia		4.79	5.52	5.82	5.47	5.73			5.38	5.60	5.47
Spain	4.39	4.50	4.59	4.70	5.02	4.92	5.00		4.55	4.98	4.73
Sweden	7.69	8.04	8.37		7.96	8.07	8.28		8.03	8.10	8.07
Switzerland	4.90	5.20		5.45	5.47	5.41	5.44		5.18	5.44	5.31
United Kingdom	4.92	5.21	5.41	5.48	5.42	5.33			5.26	5.38	5.30
United States	5.25		5.43	5.26	5.36				5.31	5.36	5.33
Uruguay	3.08	2.89	2.72		2.53	2.81	3.33		2.90	2.89	2.89
Average									5.12	5.30	5.15

## Appendix 6. Unionization Data and Collective Bargaining

Group 1	GB report WPI/SDG				ILO World Labour Report, 1997-98									
	Unionization rate for non-agricultural labour force*	Year	Unionization rate for non-agricultural labour force°	Year	Bargaining coverage rate for formal sector°	Year	Unionization rate for non-agricultural labour force°	Year	Bargaining coverage rate for formal sector°	Year				
Azerbaijan	96.3		63.8				100.0				75.4			
Bangladesh	15.3		7.5				15.3				4.3			
Benin														
Burkina Faso														
Burundi														
Cambodia														
Central African Republic														
Chad														
Comoros														
Dem. Rep. of Congo														
Eritrea			7.2								7.2			
Ethiopia			4.1								4.1			
Gambia														
Ghana	25.9	1990			25.0						25.9	1990		25.0
Guinea-Bissau														
Haiti														
India	26.5		15.2		<2		6.6	1980			5.4	1991		<2
Kenya	41.9		16.9		35.0		41.9				16.9			35.0
Lao People's Dem. Rep.														
Lesotho														
Madagascar														
Malawi														
Mali			13.7								13.7			
Mauritania			2.7								2.7			
Mongolia														
Mozambique														
Nepal														
Niger														
Nigeria			17.2		40.0						17.2	1990		40.0
Pakistan	6.4		5.5				6.4	1987			5.5	1994		
Rwanda														
Sierra Leone														
Sudan														
Tanzania, United Rep. of			17.4								17.4			
Togo														
Uganda	7.8	1989	3.9		25.0		7.8	1989			3.9			25.0
Viet Nam														
Yemen														
Zambia	18.8		12.5		30.0		18.8				12.5			30.0
Average	29.9		14.4		31.0		28.1				15.2			31.0

Note: \* data for 1985 unless indicated otherwise - ° data for 1995 unless indicated otherwise

## 6. Unionization Data and Collective Bargaining (cont.)

Group 2	GB report WP/SDG				ILO World Labour Report, 1997-98								
	Unionization rate for non-agricultural labour force*	Year	Unionization rate for non-agricultural labour force°	Year	Bargaining coverage rate for formal sector°	Year	Unionization rate for non-agricultural labour force*	Year	Unionization rate for non-agricultural labour force°	Year	Bargaining coverage rate for formal sector°	Year	
	Albania												
Angola													
Armenia													
Bolivia	62.3		16.4	1994	11.1		16.4	1994	11.1		16.4	1994	11.1
Bulgaria			58.2				61.9	1991			51.4	1993	
Cameroon			14.7								14.7		
Cape Verde			16.9								16.9		
China							59.4				54.7		15.1
Congo													
Côte d'Ivoire			13.0								13.0		
Egypt	42.7		38.8				38.9				29.6		
Equatorial Guinea													
Georgia													
Guinea			2.5								2.5		
Guyana* (95)			25.2		27.0						25.2		27.0
Honduras			4.5	1994	12.7						4.5	1994	12.7
Indonesia			3.4								2.6		
Kazakhstan													
Kyrgyzstan													
IFYR Macedonia													
Maldives													
Moldova, Rep. of													
Morocco			4.8								4.8	1994	
Nicaragua* (96)			23.4		38.3						23.4		38.3
Papua New Guinea													
Philippines	24.1		30.2		3.7		18.4				22.8		3.7
Romania	50.7		40.7				50.7	1991			40.7	1993	
Senegal			21.9								21.9		
Solomon Islands													
Sri Lanka													
Suriname* (95)													
Swaziland			22.4		25.0						19.1		25.0
Syrian Arab Republic													
Turkmenistan* (96)							100.0						
Ukraine													
Uzbekistan													
Zimbabwe	11.6		13.9		25.0		11.6				13.9		25.0
<b>Average</b>	<b>38.3</b>		<b>20.6</b>		<b>20.4</b>		<b>48.7</b>				<b>21.0</b>		<b>19.7</b>

Note: \* data for 1985 unless indicated otherwise - ° data for 1995 unless indicated otherwise



## 6. Unionization Data and Collective Bargaining (cont.)

Group 3	GB report WP/SDG				ILO World Labour Report, 1997-98									
	Unionization rate for non-agricultural labour force*	Year	Unionization rate for non-agricultural labour force°	Year	Bargaining coverage rate for formal sector°	Year	Unionization rate for non-agricultural labour force*	Year	Unionization rate for non-agricultural labour force°	Year	Bargaining coverage rate for formal sector°	Year		
	Algeria													
Belarus							100.0					96.1		94.7
Belize														
Botswana			11.5									11.5		
Brazil			43.5									32.1	1991	
Chile	11.6		15.9		12.7		11.6		15.9	1993		12.7		
Colombia	11.2		7.0				11.2		7.0					
Costa Rica	29.1		16.6				22.9		13.1					
Croatia* (96)														
Dominican Republic	18.9		17.3				18.9	1989	17.3					
Ecuador			9.8						9.8					
El Salvador	8.3		10.7		13.2		7.9		7.2			13.2		
Estonia	82.5		36.1						26.4					
Fiji														
Gabon			2.0						2.0					
Guatemala	8.1		4.4				8.1		4.4	1994				
Hungary	80.4		60.0		45.0		74.1		52.5			45.0		
Iran, Islamic Rep. of* (95)														
Jamaica														
Jordan	27.6						27.6	1988						
Latvia														
Lithuania														
Mauritius	34.8		25.9		40.0		34.8		25.9			40.0		
Mexico	59.6		42.8				54.1	1989	31.0	1991				
Namibia			22.0						22.0					
Panama* (96)	20.1	1991			16.0				14.2	1991		16.0		
Paraguay			9.3						9.3					
Peru			7.5						7.5	1991				
Poland	58.8		33.8				47.1	1989	27.0					
Russian Federation			74.8						74.8	1996				
Slovakia	76.9		61.7				76.8	1990	52.3					
South Africa	27.6		54.1		49.0		15.5		21.8					
Thailand	4.3		4.2		26.7		3.3		3.1			26.7		
Trinidad and Tobago														
Tunisia			9.8						9.8	1994				
Turkey	29.2		33.6				14.1	1987	22.0					
Venezuela	29.8		17.1				25.9	1988	14.9					
<b>Average</b>	<b>34.4</b>		<b>25.3</b>		<b>28.9</b>		<b>32.6</b>		<b>23.4</b>			<b>35.5</b>		

Note: \* data for 1985 unless indicated otherwise - ° data for 1995 unless indicated otherwise

## 6. Unionization Data and Collective Bargaining (cont.)

Group 4	GB report WPI/SDG			ILO World Labour Report, 1997-98					
	Unionization rate for non-agricultural labour force*	Year	Unionization rate for non-agricultural labour force°	Bargaining coverage rate for formal sector°	Year	Unionization rate for non-agricultural labour force°	Bargaining coverage rate for formal sector°	Year	
Argentina	67.4	1986	38.7	72.9		48.7	1986	25.4	72.9
Australia	45.6	1986	26.0	65.0		40.6		28.6	65.0
Austria	51.6		38.5	98.0		51.7		36.6	
Bahamas* (95)									
Bahrain* (96)									
Barbados* (95)									
Belgium	50.7		53.8	90.0		42.0		38.1	
Brunei									
Canada	37.1		30.1	33.4	1999	31.2		31.0	1993
Czech Republic	76.9		42.8	55.0		76.8	1990	36.3	55.0
Denmark	78.6		75.7	55.0		67.4		68.2	1994
Finland	69.1		79.0	67.0		61.4		59.7	
France	13.9		10.0	90.0		11.6		6.1	
Germany	35.9	1991	26.2	90.0	1996	30.7	1991	29.6	90.0
Greece* (96)	36.7		24.3	90.0		23.5		15.4	
Hong Kong (China)	16.8		21.5			14.1		18.5	1994
Iceland* (96)			85.0			76.7		70.7	1994
Ireland	56.3		42.2	90.0	1990	41.0		36.0	1993
Israel	100.0		23.0			132.8		23.1	
Italy	42.3		38.0			32.9		30.6	1994
Japan	28.4		22.5	21.0		22.6		18.6	
Korea, Republic of	12.4		12.7			8.6		9.0	
Kuwait* (95)									
Luxembourg* (96)	49.7		43.4			48.0	1987	39.5	
Macao (China)									
Malaysia			13.4	2.6		13.5	1986	11.7	2.6
Malta	47.9		65.1			45.5		57.9	1994
Netherlands	28.0		23.1	80.0	1996	23.3		21.8	80.0
New Zealand	43.5		21.7	23.1		47.1	1986	23.2	23.1
Norway	55.9		55.4	66.0	1996	50.7		51.7	66.0
Oman* (95)									
Portugal			25.0			40.6	1986	18.8	
Saudi Arabia									
Singapore	19.4		15.7	18.8		17.0	1984	13.5	18.8
Slovenia									
Spain	9.3		16.3	82.0	1996	7.3		11.4	1994
Sweden	81.5		88.0	85.0	1998	79.3		77.2	1994
Switzerland	27.5		22.4	50.0	1994	25.4		20.0	1994
United Kingdom	45.4		32.8	25.6	1994	36.0		26.2	25.6
United States	18.0		13.9	15.3	1999	15.0		12.7	11.2
Uruguay	19.9	1990	11.6	21.6	1993	19.9	1990	11.6	21.6
Average	43.6		35.6	57.8		40.1		30.6	54.3

Note: \* data for 1985 unless indicated otherwise - ° data for 1995 unless indicated otherwise

Source: ILO World Labour Report, 1997-98; ILO

**Appendix 7. Workforce Employed by Associated Enterprises (as % of Total Employment Population)**

Group 1	% of Workforce employed by associated enterprises as total employment population	Note: Employment population
Azerbaijan		
Bangladesh		
Benin		
Bhutan* (95)		
Burkina Faso		
Burundi		
Cambodia		
Central African Republic		
Chad		
Comoros		
Democratic Republic of Congo		
Eritrea		
Ethiopia		
Gambia		
Ghana		
Guinea-Bissau		
Haiti		
India		
Kenya		
Lao People's Democratic Rep.		
Lesotho		
Madagascar		
Malawi		
Mali		
Mauritania		
Mongolia		
Mozambique		
Nepal		
Niger		
Nigeria		
Pakistan		
Rwanda	>3.62	Civilian labour force employed/ Persons aged 10 years and over
Sierra Leone		
Sudan		
Tajikistan* (96)		
Tanzania, United Rep. of		
Togo		
Uganda		
Viet Nam		
Yemen		
Zambia		
Average		

**7. Workforce Employed by Associated Enterprises (as % of Total Employment Population) (cont.)**

Group 2	% of Workforce employed by associated enterprises as total employment population	Note: Employment population
Albania		
Angola		
Armenia		
Bolivia		
Bulgaria		
Cameroon		
Cape Verde		
China		
Congo		
Côte d'Ivoire		
Egypt		
Equatorial Guinea		
Georgia		
Guinea		
Guyana* (95)		
Honduras		
Indonesia	5.74	Persons aged 10 years and over
Kazakhstan		
Kyrgyzstan		
TFYR Macedonia		
Maldives		
Moldova, Rep. of		
Morocco		
Nicaragua* (96)		
Papua New Guinea		
Philippines		
Romania	32.58	Persons aged 15 years and over
Senegal		
Solomon Islands		
Sri Lanka	8.98	Persons aged 10 years and over/ Excluding Northern and Eastern provinces
Suriname* (95)		
Swaziland		
Syrian Arab Republic		
Turkmenistan* (96)		
Ukraine		
Uzbekistan		
Zimbabwe		
Average	15.77	

**7. Workforce Employed by Associated Enterprises (as % of Total Employment Population) (cont.)**

Group 3	% of Workforce employed by associated enterprises as total employment population	Note: Employment population
Algeria		
Belarus		
Belize		
Botswana		
Brazil	10.10	Persons aged 10 years and over/ Excluding rural population of Rondonia, Acre, Amazonas, Roraima, Para and Amapa.
Chile		
Colombia		
Costa Rica	>16.30	Persons aged 12 years and over/ Civilian labour force employed
Croatia* (96)	13.81	Persons aged 15 years and over
Dominican Republic	0.30	
Ecuador		
El Salvador	9.63	Persons aged 10 years and over
Estonia		
Fiji		
Gabon		
Guatemala		
Hungary		
Iran, Islamic Rep. of * (95)		
Jamaica		
Jordan		
Latvia		
Lithuania		
Mauritius		
Mexico	18.72	Persons aged 12 years and over
Namibia		
Panama* (96)		
Paraguay		
Peru		
Poland	2.31	Persons aged 15 years and over/ Excluding regular military living in barracks and conscripts
Russian Federation		
Slovakia		
South Africa		
Thailand		
Trinidad and Tobago		
Tunisia		
Turkey	5.77	Persons aged 12 years and over/ Civilian labour force employed
Venezuela	>24.13	Persons aged 15 years and over/ Civilian labour force employed
Average	11.23	

## 7. Workforce Employed by Associated Enterprises (as % of Total Employment Population) (cont.)

Group 4	% of Workforce employed by associated enterprises as total employment population	Note: Employment population
Argentina		
Australia		
Austria	>10.75	Persons aged 15 years and over
Bahamas* (95)		
Bahrain* (96)	80.58	Establishments with 10 or more persons employed/ Private sector
Barbados* (95)		
Belgium	26.05	Persons aged 15 years and over/ Including professional army, excluding compulsory military service
Brunei		
Canada		
Czech Republic	20.30	Persons aged 15 years and over
Denmark	22.37	Persons aged 15 to 66 years
Finland	22.33	Persons aged 15 to 74 years
France	62.42	Including professional army
Germany		
Greece* (96)		
Hong Kong (China)		
Iceland* (96)		
Ireland	21.74	Persons aged 15 years and over
Israel	7.84	Persons aged 15 years and over/ Civilian labour force employed/ Including the residents of East Jerusalem
Italy	19.91	Persons aged 15 years and over/ Including conscripts/ Including permanent members of institutional households
Japan	30.50	Persons aged 15 years and over/ Including self-defence forces
Korea, Republic of		
Kuwait* (95)	11.88	Persons aged 15 years and over/ Civilian labour force employed
Luxembourg* (96)		
Macao (China)		
Malaysia		
Malta	14.62	
Netherlands		
New Zealand	>29.53	Persons aged 15 years and over/ Civilian labour force employed
Norway	18.25	Persons aged 16 to 74 years
Oman* (95)		
Portugal		
Saudi Arabia		
Singapore	16.39	Persons aged 15 years and over
Slovenia		
Spain	39.17	Persons aged 16 years and over/ Excluding compulsory military service
Sweden	33.15	Persons aged 15 to 64 years/ Including professional army, excluding compulsory military service
Switzerland		
United Kingdom	37.48	Persons aged 16 years and over
United States		
Uruguay		
Average	<b>27.65</b>	

Source: World Labour Report 1997-1998, ILO; Laborsta, ILO