

ANALYSIS OF THE CAPACITIES OF CIVIL SOCIETY ORGANIZATIONS IN MONGOLIA

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Abstract

Included in the list of countries with limited freedom according to the Global Federation of Civil Society Organizations report- 2018, the capacity of Mongolian civil society organizations (CSOs) is revealed to be weak with no influence on government policy decisions, and limited rights and responsibilities. In this regard, the internal factors- key to enhancing the role of CSOs in Mongolia will be examined along with the challenges and solutions to develop their capacity. The study can be significant in a way that the analysis of the dimensions internally affecting the development of the CSOs fully intends to improve and push forward the engagement of CSOs with the society, reinforcing their roles and strengthening democratic process. Within the qualitative research framework, the database is enabled with the secondary resources- theories, methodology, research report and more on employing qualitative modes of inquiry through the document analysis and comparative study. Moreover, the quantitative approach to the analysis of the dimensions that affect CSOs capacity is based on a certain number of NGOs selected by random sampling followed by the data collected and analyzed using the SPSS statistical program.

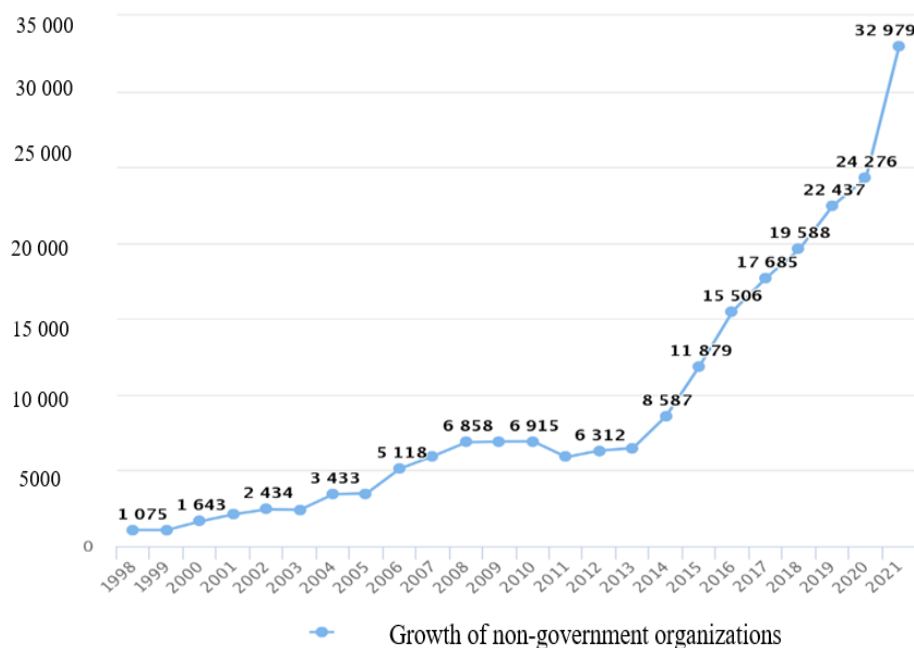
Keywords: Mongolian civil society organizations (CSOs); The Constitution of Mongolia; development of political parties

1. Development and outlook of the Civil Society Organizations in Mongolia

The Constitution of Mongolia adopted in 1992 enabled the legal and regulatory environment for civil society, thereby the formation of CSOs has become a vision for community groups. Ultimately, this has resulted in a right to assembly and association as well as to establish CSOs to represent social and individual interests and perspectives. Subsequently, in 1994, the Parliament approved the “Law on Procedures for Demonstrations and Gatherings”, which became an important step in the legal regulation and guarantee of civil society's political endeavor. A year

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later, or in 1997, the law on NGOs was in effect followed by the legal conditions for registering and regulating CSOs.



Graph 1. Number of non-government organizations in Mongolia (growth graph)

As illustrated in the graph, there are a range of CSOs committed to democracy and increased youth participation in society. Established in 2014, the “Youth Policy Watch NGO”- a youth organization, for instance, operates to increase the participation and empowerment of young people in the policy-making process. Their mission is to support every young person to become an independent, active and responsible citizen while disseminating knowledge and awareness about human rights and democratic values, and to contribute to the development of a humane and sustainable society where the youth participation is ensured at all levels of society.

The diagram below is a mapping of the impact of CSOs on society. The color legend interprets pink as the most powerful CSOs, yellow as influential, green as barely influential, and aqua blue as not influential at all.

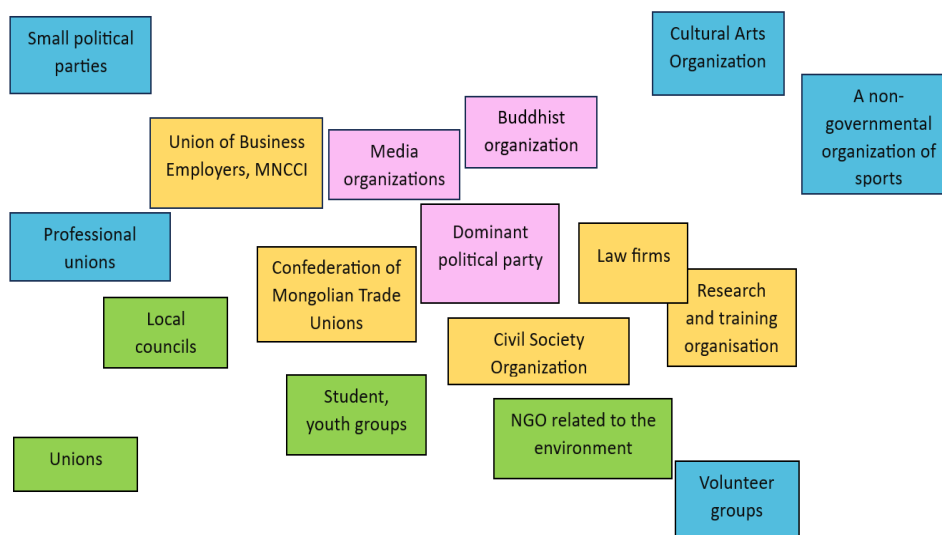


Diagram 1: Mapping the impact of CSOs

Source: State of Civil Society in Mongolia¹

As in the diagram above, the most influential CSOs in our society are blatantly present as a political party. Unfortunately, the development of political parties slowed down, and the negative phenomena, such as faction breakaways, selling positions, conspiracies, corruption, and bribery have been evident, giving rise to new challenges in democracy. To put simply, a political party has become a propagator of clientelism as Michal Klima, Czech political scientist defined. By drawing on the concept of clientelism, the researcher elaborated as follows.

Primarily, the political environment is far more interdependent from underground economy on a local or national scale, in particularly the government and local authorities to control the strategic sources of power and wealth. In this way, the phenomenon of “state capture” becomes evident, proof that democracy is defective.

“A strong civil society is key to escaping the public governance crisis and leaving the clientelist system behind. These phenomena can be in place if only there is a network of autonomous and strong institutes and CSOs that cannot be restricted by a monopoly disguised as the government or political party. CSO somewhat self-

¹ http://www.civicus.org/media/CSI_Mongolia_Country_Report.pdf. p .37.

....” (Klima, & Saikhanzaya (int), 2017, pp. 151-152) and this context is not yet evident in Mongolia from the mapping.

2. Research Findings

Between April 1 and May 1, 2022, the survey on the capacity of CSOs was conducted at the following two levels for comparison.

1. Survey from the representative of the CSOs;
2. Survey of members and supporters of CSOs.

For the former, NGOs- the actual representatives of CSOs were surveyed to find out how they assess the current status quo of CSO capacity and the dimensions affecting their capacity at the institutional level, the challenges faced by CSOs, and ways to address them. The latter was conducted on how members and supporters of CSOs evaluate the capacity of CSOs as well as the factors affecting them. Members of the management team of three NGOs operating in the fields of social protection, human rights, and environmental protection were involved in the first survey. Ahead of the survey or during the research design, out of 15 CSOs to whom the survey and research requests were submitted and contacted over the phone only those confirmed their consents and responded accordingly. The survey questions were evaluated on a scale of 5 and the research findings indicate that those representing CSOs value basic factors of CSOs as 4.7, sustainable funding of CSOs as 4.5, management and organization of CSOs as 4.4, alignment to the main objectives of CSOs as 4.9 and CSO performance monitoring and measurement system as 4.9. In other words, representatives of CSOs evaluated their own capacity on average over 4.4 and suggested the following in response to the challenges and solutions for CSOs.

Table 1.

List the problems faced by civil society organizations?	List the corresponding solutions
Immaturity of the legal system	Reform the legal environment
Civic engagement	Develop CSOs as contextualized in Mongolia
Poor stakeholder collaboration	Publicizing the activities of CSOs
No favorable environment for funding	Foster active engagement of stakeholders
Pressure from the government on NGOs that are critical of government practices/activities	Join the international CSOs network and learn from the best practices

As part of the graduate thesis work to analyze the dimensions internally affecting the development of CSOs, out of a certain number of CSOs members and supporters, 150 research participants were selected by random sampling. They were surveyed and the data of whom were analyzed with the help of SPSS data analysis program. In this respect, the survey questionnaire was valued on a scale of 5 followed by four, the analysis includes:

1. General statistical analysis;
2. Reliability analysis;
3. Factor analysis;
4. Regression analysis.

Regarding the share of the NGO respondents, 54.9 percent were the members of the NGOs serving for the community, 37.3 percent serving for both the community and members whereas 7.8 percent referred as those of NGOs serving for their members. Considering the main areas of service, 29.4% are engaged in social protection, 25.4% in educational research and analysis, and 11.8% are in environmental protection.

Main Areas of Service of NGOs

The results of the survey clearly indicate that the most prevailing area of service is "social protection", which does not correspond to the statistics of the Business Register Fund. In addition, NGOs are commonly engaged in educational research, development work, conservation programs, religious and cultural activities, which is different from the Business Registry Fund. Nevertheless, the research findings and the records of the Business Registry Fund reveal very few organizations that are engaged in the activities of schools, hospitals, and media at all levels, which does not correspond to the popular criticism that organizations in this field operate as NGOs to escape taxes. Although such cases may occur, it is not a common scenario of NGO practice.

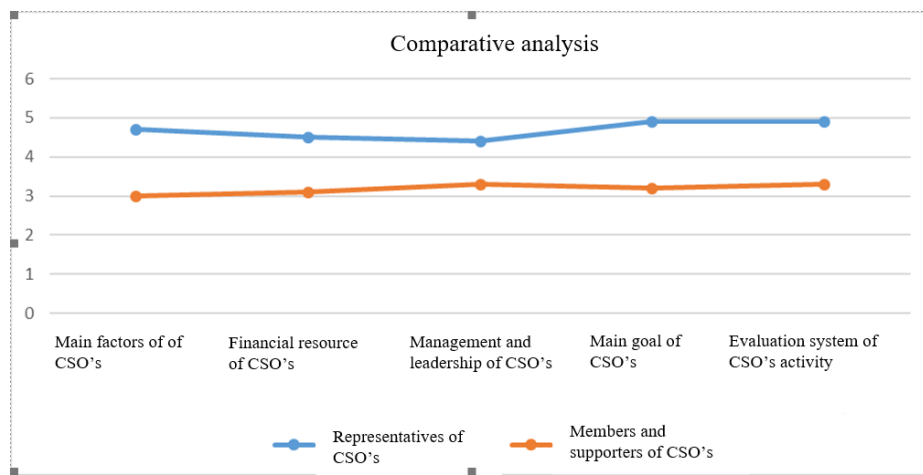
Of the study population, 37.3% claimed they serve the community and members, whereas 54.9% serve the community, and 7.8% serve only their members. According to the results of the research, as well as the statistical data of the General Authority for State Registration of Mongolia, it is clear that NGOs are social capital that actually exist to serve the society or to contribute to the improvement of the social well-being.

The representativeness of the research population, the reliability of the questionnaire, and the appropriateness of the scale were tested by Cronbach's Alpha Coefficient. From the research results randomly surveying 150 CSOs members and supporters as illustrated below, the Cronbach Alpha coefficient is 0.948, which indicates that the questionnaire is reliable and the scale of 1-5 point is appropriate. Since it is crucial to analyze the reliability of the data, it is fully feasible to use it in future research.

Table 2. Reliability Statistics Findings

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.948	.949	30

Regarding the current state of the capacity of CSOs, members and supporters valued their financial management system with the lowest rating of 2.79. In contrast, the most highly evaluated indicator was the values and directions defined by CSOs, or this indicator is 3.87. Comparing the survey results obtained from the representatives of CSOs and members and supporters, the evaluation level varies by an average of 1.6 points.



Graph 2. Comparative analysis of Representatives and members, supporters of CSOs

From this study that is sought to find out the dimensions affecting the capacities of CSOs, the following results were obtained when the relationship between the major 9 factors and indicators was measured by correlation analysis or correlation strength. Accordingly, the correlation coefficient between the factors is $r = 0.470-0.795$, indicative of the capacity of CSOs that depends on the factors identified in the study. From this, it is concluded that a linear regression analysis should be performed between the factors.

Table 3. Regression Correlation

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.862 ^a	.743	.729	.400	.743	51.065	8	141	.000
a. Predictors: (Constant), CSOs goals, necessary technical and equipment sources for operations, human resource issues, BASIC FACTORS OF CSOs CAPACITY, Good practice-Benchmarking, CSOs management and organization, CSOs management leadership, Financial sources									

From the table above, the coefficient of determination of the linear regression equation of efficiency depending on other factors is $R^2=0.743$, with 74% dependent on the factors and 26% the external factors not considered. This reveals that the factors influencing the efficiency were chosen correctly.

Table 4. Regression Correlation

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	65.401	8	8.175	51.065	.000 ^b
	Residual	22.573	141	.160		
	Total	87.973	149			
a. Dependent Variable: Efficiency						
b. Predictors: (Constant), CSOs goals, technical and equipment sources required for operations, human resource issues, BASIC FACTORS OF CSOs CAPACITY, Good practice-Benchmarking, CSOs management and organization, CSOs management leadership, Financial sources						

According to the table, the value of Fisher's criterion calculation - F estimate = 51.065 is greater than the theoretical value by the analysis of variance, confirming that the form of the linear regression model is correct.

Table 5. Regression Correlation

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	-.227	.204		-1.113	.268	-.630	.176
	FUNDAMENTAL FACTORS OF CSOs CAPACITY -X1	.025	.073	.021	.347	.729	-.119	.170
	Technical and equipment sources required for operations -X2	.210	.061	.233	3.427	.001	.089	.331
	Financial resources-X3	-.269	.073	-.286	-3.681	.000	-.413	-.124
	Human resource issues -X4	-.002	.083	-.002	-.025	.980	-.167	.162
	CSOs management leadership -X5	-.024	.072	-.025	-.328	.744	-.166	.119
	CSOs management and organization-X6	.401	.072	.368	5.592	.000	.259	.542
	Good practice-Benchmarking-X7	.055	.070	.051	.779	.437	-.084	.194
	Aim of CSOs-X8	.656	.089	.606	7.410	.000	.481	.832

a. Dependent Variable: Efficiency

From the table above, the linear regression equation is modelled as follows. $y = 0.201 * x1 + 0.233 * x2 - 0.286 * x3 - 0.002 * x4 - 0.025 * x5 + 0.368 * x6 + 0.051 * x7 + 0.606 * x8$

In other words, from the above equation, it can be seen that when x3-financial resources decrease by 1 point, CSOs capacity decreases by 0.286 points, and when x8-CSOs' goals increase by 1 unit, efficiency can increase by 0.606 points.

As elicited from a range of responses, there is evidence of doubt whether the CSOs planning is adapted in line with the internal resources and financial capacity. This is because CSOs in Mongolia have not developed well enough at the organizational level or at the institutional level. Improvements of their internal resources are the key success factor for the development of CSOs. Unfortunately, this concern has been left behind due to the financial problem, which is the most pressing issue facing CSOs in Mongolia today.

In terms of the CSOs' vision, goals, and long-term development plans that are developed with the participation of members, the response rate is high from those CSOs that serve their members. This can be an indication of how the community-based CSOs often fail to consider the opinions and participation of their members when developing their vision and long-term plans.

- Technical and equipment sources required for operations;

Non-governmental organizations operating in the field of sports, culture and recreation require equipment and material bases, but they cannot be adequately

provided due to low financial resources, leading to failure in sustainability or full discontinuation of operation.

- Financial resource;

CSOs are relatively weak in effective financial management and systems, which contributes to the low financial resources of civil society organizations. Upon the nature of the organization, it is common for some CSOs to receive government funding either in the form of performing government functions or conducting tender activities, but it is not always effective. In addition, the practice of some CSOs tends to involve non-common sources of income, such as some economic activities and donation auctions.

Donations from businesses and citizens are largely for those CSOs more engaged in artistic, cultural, humanitarian and social service activities. In contrast, not much income can be availed for CSOs that monitor the government, raise voices, represent, and protect interests of wider public. Also, the unavailability of savings to protect against financial risks leads to weaker financial for CSOs. As such, the progress made in the capacity of CSOs is limited.

- Human resources issues;

As anticipated from the research findings, the number, and skills of the workforce of CSOs are relatively adapted to and aligned with their main goals, yet CSOs cannot reduce employee turnover since the capacity building of civil society requires targeted human resources (management, professional and technical), especially to strengthen institutions and provide tools to effectively deploy and sustain these resources. Though the scenario is vice versa, or institutions are not strengthened in our country.

According to the research findings, CSOs in Mongolia have a formal system for monitoring and remunerating their human resources. This illustrates that there is no such concept of strengthening human resources of CSOs. Monitoring and evaluation should be more than a monitoring mechanism to ensure that donor accountability requirements are met.

All actors involved in capacity building need to reach a clear consensus on what activities lead to what outcomes. This is closely related to institutional and needs assessment prior to capacity building interventions, and capacity building must be demand driven for it to be meaningful. Organizational strengthening is far broader than human resource organizational development because it involves the process of institutional development, which includes all aspects of skills development

measures, monitoring and formal incentive systems. CSO management, administrative leadership and skills are generally weak. It is clear that there is a need to strengthen the capacity of central CSOs and network organizations, and to improve organizational influence and leadership skills.

- CSOs leadership in Mongolia

It is important for CSOs management team to effectively define the basic goals and vision of their activities. However, it is not the case as seen from the results of the study. This is because the internal capacity of the organization is weak in terms of poor leadership or the poor management skills. For NGOs, weak management capacity and distraction reduce the effectiveness of their performance and services.

Developing the vision, goals, and development plans of CSOs with the participation of members is the main pillar for the development of the internal organization of CSOs and further social development. However, the result of the study reveals that the practice of executive management while serving in the board of directors of CSOs is common. Management improvement issues include multi-dimensional measures such as improving the recruitment and performance evaluation of managers, including the creation of independent evaluation channels, special units for the selection of managers, and prevention of networking of managers within ministries.

Qualitative research indicates that the practice of executive management by founders and members of the board of directors is common in small CSOs, that have not been operating longer or whose operations are not fully sustained. The main reason for this is that these CSOs have limited financial resources, so this practice of combining the organization's management functions with administrative functions is the main method and form of reducing administrative and other current costs.

- CSOs management and organization

As the stakeholders in the management decision-making process are engaged relatively in a limited manner, it can be concluded that horizontal and vertical management systems cannot coexist in CSOs of Mongolia. Moreover, the opinions and criticisms of the stakeholders are not often included in the decision-making process of CSOs. The recent failure of CSO capacity-building efforts to focus at this level reflects a lack of understanding of the importance of coherent policies and strategies and effective coordination within and across sectors.

Failure to focus at this level creates challenges such as competing organizational priorities, lack of coordination, and lack of organizational capacity. If improvements

are in place, collaboration among CSOs will be enabled and contribute to more efficient mobilization of existing capacities.

- Goals of CSOs

In Mongolia, the goals of CSOs are considered to have been set forth clearly. Yet, considering the response rate that 7.8% of the respondents claim as not clear, not all organizations can operate according to their goals. Also, the standard requirements for CSOs are unclear, which means that CSOs' activities are not carried out according to the established structure of the organization.

There is no established methodology for evaluating and estimating the performance of CSOs and their contribution to society, which largely prevents them from strengthening their capacity to create research-based evidence and transparently communicate or report their work, further challenging their commitment to advocate policies and strategies in line with their organizational vision and mission. This indicates a lack of factors to strengthen the capacity of CSOs to carry out operational research, budget monitoring and impact evaluation.

- Good practice-Benchmarking

As implied from the research findings, CSOs learn from good practices that well-respond to specific problems, but they lack the capacity to adopt and implement in their own practices. The cooperation of CSOs which is anticipated as weak in our country is because the cooperation efforts are limited either in a common area of their services or as aligned with the activities of the organization. This is an indication of their poor capacity in cooperation, and they appear to be relatively weak in creating innovations that empower them.

- Outcome

As an organization that serves the society, the programs and plans implemented by CSOs can be aimed at ensuring stable social well-being, while the ones that serve their members are relatively weak.

The programs implemented by CSOs and their outcome are not often visible, and there is a lack of cooperation between the public and private sectors aimed at creating a sustainable environment for the development of CSOs. This is due to the lack of cooperation in applying research-based evidence in the policy process to ensure the sustainability of results.

When clarified on the most pressing challenges faced by CSOs, the respondents elicited a range of issues as listed below:

1. Inadequate support;
2. Tax issues;
3. Human resource issues;
4. Lack of management and employee ethics of CSOs;
5. Failure of CSOs in collaborating with mass media;
6. Some CSOs are too dependent on politics;
7. Failure of the government to ensure adequate support and assistance to CSOs.

The listed issues were the most prevailing for the respondents and the corresponding solutions were as follows:

1. The government should provide adequate and accessible support for the activities of CSOs;
2. Establishment of effective remuneration system and policy framework;
3. Conduct of capacity building trainings;
4. Improve employee morale and build capacity;
5. Recognition that a big change in society can be enabled by cooperating with the media;
6. Recognition of vision and mission within CSOs while acting independent and being aligned towards social well-being;
7. Transparent operation of CSOs for partnership in different fields;
8. Government support for the activities of CSOs and regular monitoring on the results of future activities.

Conclusion

Civil society is committed to advocate government policies on issues encountered for citizens, seek to benefit from social resources, and contribute to social development. By realizing this goal and increasing their impact on society, CSOs can participate widely in the development of civil society and make a significant contribution to the strengthening of democracy.

Drawing on the results of the research on the dimensions affecting the capacity of CSOs in Mongolia, the basic factors of CSOs have scored relatively high compared to other factors. It is encouraging that the goals and objectives of CSOs today are clearly set forth, but on the other hand, it is doubtful whether all CSOs are aligned with their activities within the scope of their defined goals.

Financial resources among the factors affecting the capacity of CSOs in Mongolia appear to be the weakest factor. The main reason for this is that CSOs lack the capacity to raise and accumulate their own financial resources.

Effective financial management and systems that happen to be weak contribute to low financial resources of civil society organizations. Depending on the nature of CSOs, it is common for some to seek government funding in the form of performing government functions or conducting tender activities, but it is not always effective. In addition, some CSOs tend to use non-common sources of income, such as alternative economic activities and donation auctions. Donations from businesses and citizens are observed in organizations that are more active in artistic, cultural, humanitarian and social services. On the other hand, not much income can be generated from such donations for CSOs that monitor the government, raise voices, represent and protect interests of wider public. Also, the failure in savings to protect against financial risks leads to weaker financial system for many CSOs.

Such poor financial stability of CSOs largely limit the progress expected in the capacity of CSOs. In recent years, in addition to the need to find effective solutions to development problems, CSOs need to strengthen their capacities due to the increased competitiveness of the sector and the pressure from donors' requirements.

The responses by representatives of CSOs claim that their weaknesses are largely due to a lack of systematic framework and strategic investments in CSOs governance and management, technical and organizational capacity building. CSOs have developed local collaboration to some extent, but their capacity cannot be effectively extended towards global community. In part, the poor quality of CSO reporting contributes to this circumstance. It is the lack of funding that most CSOs are unable

to implement their strategic goals. The tendency to exist as project- driven limits their ability to achieve sustainability. The priority areas for improving the capacity of CSOs include strengthening the organization's capacity, defining the mission and vision, developing a strategic plan and build long-term strategic framework for internal management system, personnel policy, financial and accounting systems, and most importantly, a fund-raising strategy.

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