A GLASS HALF-FULL:
CIVIC SPACE AND CONTESTATION IN
BANGLADESH, SRI LANKA, AND NEPAL
MARCH 2023
EXECUTIVE SUMMARY

The past decade has witnessed a surge of interest in and concern over the global trend toward democratic regression. In South Asia, regulatory and institutional frameworks have become increasingly restrictive, curbing the ability of citizens and civil society organizations (CSOs) to occupy and use civic spaces to organize, express themselves, and participate in decisions that affect the lives of people whose interests they serve. Of course, this is only one half of the story. The other half is how citizens, collectives, and organizations’ adapt by carving out spaces where they can maintain – or even expand – the boundaries of their engagement in local and national civic spaces.

In this paper, we examine how civic spaces are evolving in three South Asian countries – Bangladesh, Sri Lanka, and Nepal – drawing on the experiences and perspectives of civil society representatives.

Overall, we find that civic space, measured in terms of government transparency and the ability of civil society to critique government decisions and communicate information freely, is shrinking in all three countries. This phenomenon is felt most significantly by actors working on human rights, corruption, transparency, and accountability. At the same time, issues such as the rights of women and people with disabilities, or climate change and basic services delivery, are easier to work on and remain relatively uncontested. These experiences vary within and across countries.

Specifically, we identify four interconnected trends:
- Civic spaces are under pressure and increasingly less vibrant.
- Civil society is less able to act collectively.
- Subnational civic spaces are expanding and shrinking at the same time.
- Despite negative trends, spaces for engagement and creativity remain.

Drawing on the insights and perspectives of civil society actors in each of the three countries, this paper provides donors and development practitioners with recommendations on how they can make relevant investments that will strengthen civic spaces and support democratic resilience.
INTRODUCTION

Several recent incidents across South Asia have raised concern that governments are tightening the boundaries around civic spaces. In May 2021, Bangladeshi investigative journalist Rozina Islam was charged with violating the Official Secrets Act for allegedly stealing an official document from the Ministry of Health. She sees her detention as retaliation for her anti-corruption work.\(^2\) In July 2022, thousands of anti-government demonstrators in Sri Lanka expressed frustration toward government policies that had led to an economic crisis: their protest was met with a violent crackdown.\(^3\) In June 2022, Nepali police held journalist and right-to-information activist Kailash Majhi in custody for four days, reportedly for his investigative coverage.\(^4\)

Civil society in general, and activists and independent media in particular, feel the impact of restrictions on movement, freedom of speech, and protests. As alarming as these trends are, they are only half the story. The other half is how citizens, collectives, and organizations adapt by carving out spaces where they can maintain or even expand their engagement and operations, defending and widening the boundaries of their local and national civic spaces.

This paper examines how civic space is shifting in Bangladesh, Sri Lanka and Nepal, drawing on the perspectives of civil society representatives. Our analysis is informed by research undertaken by The Asia Foundation between November 2021 and March 2022. The research methodology included a quantitative survey of 96 respondents (survey respondents) from civil society organizations (CSOs), 14 semi-structured interviews with key informants (interviewees), and three validation workshops with survey respondents and others from their organizations.\(^5\)

We begin with a broad discussion on the global democratic decline. Sharpening our focus on South Asia, we then provide a brief overview of the context in all three countries. Drawing on the findings from our survey and interviews in each country, we outline key trends affecting civic spaces and
describe how civil society in each country is responding as they demonstrate resilience to these shifts and changes. We conclude by reflecting on civil society’s broader role in contributing to democratic resilience. Finally, we share recommendations for donors and development agencies to effectively engage with civil society in South Asia.

Our sources of first-hand information:

- 96 surveys with respondents from CSOs (survey respondents) in Bangladesh, Sri Lanka and Nepal:
  - All organizations were formally registered.
  - CSOs included nongovernmental organizations, some think tanks and community-based organizations, and a few membership-based movements and for-profit social enterprises.
  - Survey respondents were working on gender equality, human rights, service delivery, climate change and peacebuilding.
- 14 interviews with key informants (interviewees) from think tanks, research institutions, and youth groups in Bangladesh, Sri Lanka, and Nepal.
- The survey instrument is available on KoboToolbox (link).

CIVIC SPACES AND DEMOCRATIC REGRESSION

Observers increasingly find that democracies worldwide – old and new – are experiencing “democratic decline,” “democratic backsliding,” or “democratic regression.” Year after year, organizations such as Freedom House and Varieties of Democracy (V-Dem) publish evidence of a steady and gradual erosion of democratic principles and practices across most regions. Central to these analyses are changes to the boundaries of civic spaces and the impact of those changes on associational life. The concerns raised in these global assessments are echoed in reports by local analysts, civil society, and media actors as they struggle to operate under changing circumstances. Even studies that contest these claims of a generalized decline in democratic norms find that levels of free expression have declined in recent years, as measured by the number of journalists arrested.

Observers usually attribute democratic decline, and risks to democratic governance, to a complex combination of global and contextually specific trends. Post-9/11, state actors began to view international engagement through the lens of national security considerations, resulting in the securitization of international relations. In addition, a weakening of the post-war international rules-based order has collided with renewed nationalism and the emergence of successful nationalist and populist leaders. In many places, public dissatisfaction has risen in tandem with greater cronyism and kleptocratic tendencies among political and economic elites. Some elites have in turn stoked grievances and inflamed identity politics to divide and polarize societies buffeted by technological disruptions and deepening inequalities.

Beyond these factors, external and domestic economic and political dynamics also play a role. For example, a recent report by Carnegie Endowment for International Peace (2022) on understanding
democratic backsliding has unpacked the threat leaders of democracies themselves present to democracy. The report thus illustrates why the anti-democratic trend toward restricting civic space is extremely potent and politically challenging to address. The Covid-19 pandemic accelerated many of these trends as governments worldwide heightened surveillance and rewrote legislation to impose stringent lockdowns and restrictions on people's freedoms in the interest of expedient health and economic security protections. These expediencies fulfilled broader political objectives under the auspices of crisis management. While these challenges to democratic governance are concerning, their manifestations across countries and regions are neither uniform nor homogenous. Looking closely at specific national and sub-national contexts, we see variations in the extent of changes to policies and relationships between governments and citizens.

One way to view these changes is through the lens of “civic spaces”. The Organisation for Economic Cooperation and Development (OECD) defines civic space as the “set of legal, policy, institutional and practical conditions necessary for people and groups to access information, express themselves, associate, organize and participate” in the political, social, and cultural life of their societies. Civic space is thus the foundation for an active and effective civil society.

Observers underscore the value of civic spaces, seeing them as “the bedrock” and “the greatest defense” of an open and democratic society. This is because civic space lies at the heart of the participatory and liberal principles of democracy. Safeguarding and supporting civic spaces is commonly seen by development practitioners as critical to promoting good governance and inclusive growth.

Central to the vitality of civic spaces – and their contribution to democracy – is the presence of independent and diverse civil society actors who advocate for greater transparency and accountability, bridge gaps in service provision, and facilitate citizen participation in governance structures and processes, especially on behalf of socially and economically disadvantaged groups.

Changes to the boundaries of civic space can have a variety of impacts on the abilities of civil society actors to perform their core functions and achieve their goals – openings can make it easier to organize and participate, while restrictions make it harder to engage and, in some cases, to even exist. For this reason, alterations to the boundaries of civic spaces offer a compelling indicator for assessing the health of a democracy. We can trace these alterations across laws, regulations, policies, institutional practices, and social norms that govern civic spaces.

That said, we note an important caveat: Government action alone does not influence or shape civic space. It is also affected by other factors, such as international aid and donor

**Types of civil society actors include:**
- civil society organizations (CSOs)
- nongovernmental organizations (NGOs)
- activists
- independent media
- community-based organizations (CBOs)
- faith-based groups
- think tanks
- academics
- professional associations
- community groups
- social movements
funding, civil society governance and accountability, the relationship between civil society actors and the public, and the role of the private sector and media separately and collectively. For example, international donors sometimes inadvertently contribute to shrinking civic spaces when they treat CSOs as sub-contractors, prioritize their own national interests over local objectives, and suddenly shift the focus between sectors and recipient countries. Another less recognized yet important factor that shapes civic space is how CSOs operate and their levels of transparency and accountability to the public and communities they serve.
THREE DIFFERENT BUT COMPARABLE CONTEXTS

CIVIC SPACES IN SOUTH ASIA

In South Asia, democratic decline has taken a variety of forms. Global indices increasingly characterize South Asian countries on a spectrum that runs from partially democratic to authoritarian. For example, the V-Dem Liberal Democracy Index (LDI) shows rises and declines in democratic practices across South Asia between 2005 and 2021 (figure 1). In Bangladesh, a sharp decline between 2010 to 2015 has since plateaued. From 2005 to 2010, Nepal recorded a sharp increase in democratization, and rose in tandem with Sri Lanka until 2015, when both lost momentum and stalled over the next six years.

Other research supports these observations. They detail increased restrictions on freedom of expression, association, and assembly and an operating environment increasingly hostile to civil society, all of which intensified during the pandemic (Table 1). In a recent poll, CSOs in all three countries noted an alarming increase in government surveillance and regulation, rising anti-NGO rhetoric, and politicization of CSO networks. Research conducted by The Asia Foundation (the Foundation) in Southeast Asia in 2021 suggests that comparable trends exist in other lower-middle-income countries (LMICs) across the region.
These restrictions and hostilities run counter to rich cultures and traditions of civic engagement across South Asia. Bangladesh’s civic space, rooted in the country’s independence movement and 1971 Liberation War, finds long-time expression in the country’s civilian response to emergencies. Sri Lankan civic space grew dramatically after the outbreak of a civil war in 1983, building on a long history of activity by religious and local community-based organizations. Civic space in Nepal developed more recently, emerging in the first half of the twentieth century and flourishing after the 1990 democratic restoration with the promulgation of a new federal constitution.

We can partly gauge the vibrancy of civic space through the number of registered NGOs in a country. As of 2020, Bangladesh had 2,505 registered NGOs according to its NGO Affairs Bureau, while the NGO Secretariat in Sri Lanka counted 1,620 registered organizations. Nepal has around 40,000 CSOs according to its Social Welfare Council (SWC), the government agency that oversees
the registration of many types of nongovernmental associations and organizations. In all three countries, other professional and interest groups and networks also form part of civil society; they are registered through other government agencies, such as the bar and other business, religious, and social organizations.

In each country, civil society has driven important changes. Bangladeshi civil society has been particularly successful in promoting the empowerment of women, reforms of law and governance, greater transparency and accountability, more financial inclusion through micro-credit institutions, and other public goods. In Sri Lanka, CSOs played a vital role during the 2018 constitutional crisis by animating petition drives and protests to ask for judicial remedies and increase public awareness. CSOs in Nepal have similarly played a critical role in the country’s political, social, and economic development, particularly as Nepal democratized and federalized.

Despite the encouraging number of CSOs and various achievements in each country, as discussed earlier, there is also evidence of diminishing civic spaces. In 2022, CIVICUS rated civic space in Bangladesh as “repressed” (table 1). Bangladeshi civil society is increasingly regulated: legislation introduced in 2016, 2021, and 2022 expanded the state’s control over the internet and citizen data. CIVICUS also reports a rise in the number of lawyers, writers and other prominent actors facing criminal or defamation charges for their critiques of national and local state agencies or policies.

The state of civic space in Sri Lanka and Nepal rate quite similarly in international assessments. CIVICUS assesses both as “obstructed,” and the Freedom House Index rates them as “partly free” (table 1). Both countries have experienced long periods of political instability and conflict that have disrupted regular democratic processes such as elections. Nepal and Sri Lanka also share similar challenges in accommodating the voices and perspectives of their ethnic, linguistic, and religious minorities in their post-conflict contexts. This legacy means minority inclusion remains a challenge.

Despite some similarities, the countries have distinct differences. CSOs in Bangladesh have garnered global recognition for their work in areas such as micro-credit and finance. However, with the emergence of a one-party-dominated national political system and diminished opposition, civil society in Bangladesh has grown increasingly politicized: many CSOs feel pressured to show their alignment with one of the two main political parties, the Awami League or the Bangladesh National Party. Sri Lanka’s civic space, built on more solid foundations, has experienced important moments of growth; for example, in 2015 when a more liberal unity government assumed power. As evidenced by the summer of 2022 protests, activism in Sri Lanka remains vigorous and adaptive. Nepal has higher poverty rates and weaker governance structures than the other two countries. Despite the potential for greater democratic participation implied in Nepal’s new federal system, Nepali civil society is often critiqued for its lack of coordination, weak financial base, limited capacity, and inadequate accountability and transparency.
KEY FINDINGS: THROUGH THE EYES OF CIVIL SOCIETY ORGANIZATIONS

SHRINKING SPACES AS A GENERAL PHENOMENON

The Foundation’s survey respondents identified a general trend toward limitations on freedom of speech and association, and restrictions on access to information – a trend that varied by degree – but not direction – in all three countries.

In Bangladesh, 85 percent of survey respondents said civic spaces are shrinking. About three-quarters believed it was increasingly difficult for CSOs to protest government decisions (77 percent) and for the media to critique the government (74 percent). About two-thirds of respondents said it was getting harder to share information and communicate freely online (67 percent) or in public spaces (64 percent), and that the country is becoming less democratic (68 percent). However, more positively, a majority said it was getting easier to access information from local governments (62 percent) and the national government (56 percent), and fewer felt government transparency was decreasing (53 percent) or that it was harder to participate in national policymaking (44 percent).

“The survey findings resonated a lot … we are seeing that, over time, civic space is becoming more and more squeezed. Be it the case of media having their views suppressed or individual civil society members having their speech curtailed, the tolerance level has gone down.”

Bangladesh key informant interview No 2.
Is the country becoming more democratic or less?

- **BANGLADESH**: 9% More democratic, 91% Neither more nor less democratic - staying the same.
- **SRI LANKA**: 0% More democratic, 100% Neither more nor less democratic - staying the same.
- **NEPAL**: 26% More democratic, 74% Neither more nor less democratic - staying the same.

Citizen’s ability to organize protests against government decisions

- **BANGLADESH**: 9% Easier, 91% Not changed, 0% More difficult.
- **SRI LANKA**: 10% Easier, 90% Not changed, 0% More difficult.
- **NEPAL**: 52% Easier, 48% Not changed, 0% More difficult.

Civil society’s ability to share information and communicate freely in online spaces

- **BANGLADESH**: 27% Easier, 73% Not changed, 0% More difficult.
- **SRI LANKA**: 33% Easier, 67% Not changed, 0% More difficult.
- **NEPAL**: 74% Easier, 26% Not changed, 0% More difficult.
In Sri Lanka, almost all survey respondents believed that civic spaces were shrinking (96 percent). A high proportion stated that it was becoming harder to protest government decisions (70 percent) and more difficult for the media to be critical of the government (60 percent). Well over half of respondents felt that government transparency has decreased (60 percent) despite the 2019 Right to Information (RTI) Act. In the experience of civil society, the government has been unwilling to share information: interviewees cited experiences of filing RTI applications, but never receiving a response, and several noted that the government and society tend to view civil society actors with suspicion. They felt that the legacy of the war was one causal factor: progressive CSOs were branded as anti-national, pro-terrorist, pro-western and/or foreign-donor-funded.
How has level of government transparency and sharing of information and data changed?

- **Increased**: 25%
- **Stayed the same**: 20%
- **Decreased**: 23%

Ability to access information at the national level

- **Easier**: 56%
- **Not changed**: 27%
- **More difficult**: 51%

Ability to access information at the local level

- **Easier**: 62%
- **Not changed**: 40%
- **More difficult**: 62%
In Nepal, despite considerable political instability over the past two years and the economic and social challenges of the pandemic, survey respondents and interviewees felt comparatively buoyant about their civic spaces. Nepal’s press freedom distinguishes itself from that of neighboring countries. A consistent majority of survey respondents said that their organizations can more easily share information and communicate freely online (74 percent) and in public spaces (65 percent), and access information from local governments (62 percent). They also felt they could freely critique and contest government decisions (52 percent), and that it was easier for the media to publish views critical of the government (52 percent). In contrast, only a small minority (16 percent) felt it was becoming more difficult to protect individual rights and freedoms. An interviewee noted that, as a young and “messy” democracy, frequent transitions in government had sustained some space for debate and contestation.
Notwithstanding the Nepali survey respondents’ optimism, a majority felt that, overall, civic spaces in Nepal are shrinking (65 percent). Interviewees see a trend among government and the public toward more conservative and critical attitudes toward CSOs and NGOs.

In all three countries, the local drivers of narrowing civic spaces include a range of complex factors:
- the dynamics of the existing elite power configuration
- government sensitivity to criticism, disagreement with state-led narratives, and concerns over foreign influence (which donors sometimes inadvertently contribute to)
- the uneven capabilities of CSOs to engage constructively on issues and debates.

**CHANGES IN FORMAL AND INFORMAL INSTITUTIONAL ENVIRONMENTS OFTEN HINDER CSOS**

CSOs in all three countries are experiencing difficulties operating because of recent changes to both the formal institutions (policies, laws, regulations) and the informal norms and values that shape the behavior of government representatives and the broader public toward civil society actors.

In Bangladesh, a series of legislative changes and new regulations introduced since 2016 have made regulatory processes more complex. Interviewees said that it has gradually become more difficult for foreign-donor-funded CSOs to get their activities approved by the government: the amount of paperwork and processing time has increased, and official approvals for activities and projects often take longer than the stipulated 90 days. Government scrutiny is sometimes felt to be intense and far-reaching, covering CSO funding, activity implementation, partnerships with other organizations, and foreign travel. In several cases, CSOs have seen their registrations revoked altogether. According to the Dhaka Tribune, between 2002 and 2019, nearly 700 NGOs working in Bangladesh had their registrations cancelled.

While there were a variety of reasons for these cancellations, interviewees described an environment of increased scrutiny rather than collaboration with government, which in turn influences the development outcomes that civic actors want to help shape. Interviewees also said that after the government revoked the license of a well-known national human rights organization, civil society actors were hesitant to sign a joint statement of solidarity. When many CSOs feel like they are under government scrutiny and do not want to see their licenses cancelled, their fears fray ties of inter-CSO solidarity and weaken collective action.

In Sri Lanka, too, CSOs are concerned about the increasingly hostile operating environment, which especially affects formal and non-Colombo-based CSOs. In line with the increasing securitization of civic spaces discussed in the introduction to this paper, the Secretariat of NGOs was moved in 2019 under the auspices of the Ministry of Defense, and then in 2022 became the responsibility of the Ministry of Public Security. Interviewees described increasingly complex procedures for registering, receiving funding, and implementing programs. All had either experienced delays in obtaining approvals or knew of other organizations that had. One interviewee observed that, while there is no legal requirement for CSOs to register with the NGO secretariat, the government seemed to prefer that they did. The increased complexity of rules has led many CSOs, especially those with limited information or legal counsel, to register as NGOs by default, inadvertently opening them to greater
In Nepal, the situation is somewhat less strained. Federalism has created new opportunities for civic engagement at the local and provincial levels. Local governments grappling with new responsibilities and limited resources often seek support and assistance from civil society. Notably, half of the survey respondents said that CSOs’ ability to interact and influence local government decision-making had improved/become easier (51 percent). Interviewees highlighted that these improvements are an opportunity for global and local development actors to work on increasing citizens’ awareness of federalism and mitigate the risk of elite capture of local governance. Nonetheless, interviewees also noted that several formal requirements circumscribe CSO agendas. They feel that some government officials tend to perceive NGOs as subsidiaries of donor-funded or government-led development programs, rather than acting wholly independently. Because of this, NGOs tend to be confined to supporting infrastructure development projects. Foreign-funded CSOs also tend to face greater scrutiny in getting approvals for their activities.

“Civic space is opening up in terms of the increase of literacy, rise of federalism – the government that is now two houses away – and access to social media. At the local level local problems are being talked about.”

Nepal key informant interview No 2.

SHRINKING MORE IN SOME SECTORS THAN OTHERS

In all three countries, the Foundation’s survey and interview data, as well as secondary sources, show that some CSOs, particularly those working on human rights, corruption, transparency, and accountability, experience civic space shrinkage more than other civic actors do. In Bangladesh, two-thirds of survey respondents said it was more difficult to work on the protection of individual rights and freedoms (66 percent). Interviewees and workshop participants viewed corruption as the most pressing and increasingly challenging issue, although survey respondents did not similarly prioritize it. In Sri Lanka, interviewees and survey respondents understood reconciliation, disappearances, land and resource disputes, and/or commentary on the wider political culture as no-go issues. They also perceived that working on human rights issues was particularly risky. In Nepal, too, an overwhelming majority of survey respondents said it had become more challenging for civil society to work on issues such as corruption, transparency, accountability, access to justice, and public sector reform (80 percent).

In contrast, on some other issues, survey respondents and interviewees in each country perceived that their governments welcomed and even facilitated their work. In Bangladesh, CSOs have little difficulty working on health, education, women’s empowerment, and service-delivery-related activities. In Sri Lanka, issues such as disability or children’s rights, youth, and some areas of women’s empowerment remain largely uncontroversial. Similarly in Nepal, service delivery in sectors such...
as health, education and women’s rights is less contested and thus easier to work on. While Nepali survey respondents noted climate change and media freedom as issues that were relatively easier to work on, several interviewees from Bangladesh and Sri Lanka perceive some limitations on climate-change-related engagements, especially those touching prominent development or national-security projects. Furthermore, these interviewees cited many examples of contentious projects that lacked environmental impact assessments, noting that discussions of such projects were noticeably muted among civil society.

**FRAUGHT ENGAGEMENT WITH NATIONAL AND LOCAL GOVERNMENTS**

In Bangladesh, most survey respondents reported that they directly engaged with the government, and more than three-quarters felt that engagement quality had improved in the past five years (78 percent).46 Interviewees qualified this finding by observing that improvement only occurred on uncontentious issues, noting that it is increasingly difficult for them to publicly critique government policies or programs. At the same time, more than half of survey respondents felt that government was less transparent (60 percent) and some found information harder to access (43 percent). An interviewee explained that when it was enacted, the 2019 Right to Information Act had opened a window to more information, one that has since narrowed. Subsequently, perceptions of open government among civil society have become less positive.47 Public pressure during the pandemic contributed to another temporary opening as the government shared details of relief funding to signal its commitment to transparency. Survey respondent opinion in Sri Lanka was almost equally divided about the quality of CSO–government collaboration: 52 percent noted an improvement.

On a positive note, in Nepal, almost all survey respondents reported that they engage directly with the government (94 percent); of those, half said their engagement was frequent (52 percent), and three-quarters felt that their engagement and collaboration with the government had improved in the past five years (75 percent). Yet, the relationship between the Nepali government and civil society remains complex. An interviewee noted that traditionally, many CSOs substitute for or work in parallel to the government in service delivery – a role that the government generally welcomes. However, small NGOs and CSOs, particularly those based outside Kathmandu, often face challenges in navigating provincial and local government regulations and find it difficult to form well-functioning CSO–government working relationships. An interviewee highlighted that the government’s growing reluctance to work with civil society stemmed from two factors: a lack of trust in CSOs, as they are perceived as being primarily driven by “political considerations,” and concerns about CSOs’ ability to deliver quality services.48

> “Promise.lk website was started by the government in response to pressures during Covid–19 asking for information on where the governments got their money. Now we can see what they got, a small improvement, but not how they spent these funds”

*Sri Lanka key informant interview No. 4*
CHANGES TO FUNDING LANDSCAPES

Our sample of CSOs across all three countries largely depend on donor funding for their activities. On average, two-thirds of survey respondents indicated that international NGOs were their primary funding source (64 percent), 12 percent named multilateral organizations, 9 percent cited bilateral-government funding, and 5 percent cited their own government’s funding (Table 2). Bangladeshi CSOs, for example, attributed only 3 percent of their funding came from their own government, and Sri Lankan survey respondents claimed none. In Nepal, domestic government funding equals that of multilateral donors (13 percent), a relatively high percentage compared to Bangladesh and Sri Lanka. For all three countries, the low volume of domestically-sourced funding likely means that CSOs directly feel the impact of all funding plan changes, especially those of OECD donors.

The impacts on CSOs are manifold. In Bangladesh, a combination of factors has spurred a decline in international donor funding, including the country’s graduation from low to lower-middle-income status, shifts in donors’ priorities, and donors’ tendency to work directly with the government. Sri Lanka receives an estimated USD 300 million in development assistance per year from multilateral agencies and OECD Development Assistance Committee (DAC) donors, which is the primary source of the country’s civil-society funding. Given that our Sri Lankan survey respondents identified international NGOs as their primary source of funding (80%), the difference may be attributed to our sample, which did not represent all civil society groups, or to multi- and bilateral donors channeling their funding through international NGOs. In all events, very few Sri Lankan CSOs receive funding from their own government’s contracts or can raise funds from local communities and constituencies. CSOs in Nepal, especially NGOs registered under the SWC, also largely depend on foreign donor funding; it tends to go toward health, education, and basic services. According to Nepali interviewees, Kathmandu-based CSOs that have strong networks are the largest recipients of donor funds.

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<thead>
<tr>
<th>TABLE 2. Principal CSO funding sources</th>
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<td>All respondents</td>
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<tr>
<td>International NGOs</td>
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<td>Multilateral organizations</td>
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<td>Government funding</td>
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<tr>
<td>Bi-lateral government funding</td>
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<tr>
<td>International philanthropists</td>
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<tr>
<td>Local private/individual donors</td>
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<td>Membership fees</td>
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Source: Resilient Civic Spaces Survey, 2021-2022, The Asia Foundation
It is worth noting that when foreign funding slightly increased in 2020 for programmatic areas like hate speech and disinformation, some observers from civil society and the broader development community criticized the newly available funding mechanisms for being overly focused on immediate results and thereby limiting the length, dynamism, and comprehensiveness of civil society initiatives.

Thus, when donor priorities change and aid budgets shrink, civil society feels it in practical terms. Interviewees almost uniformly, and more than half of survey respondents (59 percent), noted a decline in donor funding for their activities. The pandemic further exacerbated reductions, especially in Bangladesh, where 74 percent of respondents experienced a decrease in funding (figure 2). Interviewees believed that small CSOs and organizations based outside of Dhaka likely felt the reductions most acutely.

Private sector philanthropy and corporate social responsibility (CSR) funds are nascent in Bangladesh, Sri Lanka, and Nepal. An interviewee in Nepal explained that the private sector engages more around infrastructure, mobility, and connectivity issues rather than “the space where some critical questions need to be answered.”

**FIGURE 2. Changes to donor funding volumes during the Covid-19 pandemic**

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<tr>
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<th>0%</th>
<th>20%</th>
<th>40%</th>
<th>60%</th>
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<tr>
<td>All respondents</td>
<td>13%</td>
<td>59%</td>
<td>24%</td>
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<tr>
<td>Bangladesh</td>
<td>12%</td>
<td>74%</td>
<td>15%</td>
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<tr>
<td>Nepal</td>
<td>13%</td>
<td>52%</td>
<td>26%</td>
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<tr>
<td>Sri Lanka</td>
<td>13%</td>
<td>50%</td>
<td>33%</td>
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Source: Resilient Civic Spaces Survey, 2021-2022, The Asia Foundation
DIGITAL SPACES ARE A DOUBLE-EDGED SWORD

Online civic spaces have the potential to be an exciting accompaniment to physical spaces in Bangladesh, Nepal, Sri Lanka, and South Asia more broadly. CSOs use digital platforms and social media to connect with their constituents, engage with the government and public, and organize or mobilize in ways that traditional media cannot support (figure 3). More recently, events in Sri Lanka affirmed that digital media is a vital tool, helping to mobilize the “Aragalaya” movement during the summer of 2022.53 All interviewees highlighted the importance of encrypted messaging apps, which are critical for mobilizing civic actors. Notably, the “Aragalaya” movement was led and sustained by groups representing a wider section of society than formal CSOs.

In Nepal, interviewees noted the role of social media, particularly platforms such as Twitter and Facebook, in helping CSOs, youth groups, and activists to “make noise.”54 They use social media to form networks and alliances, organize events, mobilize support, express opinions, demand accountability, and support citizens’ access to justice from the government. The use of online platforms, such as Zoom, has expanded civic space and engagement in and between Kathmandu and the provinces, allowing civil society actors to organize events and engage with constituents beyond the capital. New types and forms of civic engagement have emerged, such as a growing think-tank culture and groups working on political literacy, youth engagement, and civic consciousness, among other similar issues. Social media has often fueled and supported these new forms of collective action by enabling groups to act spontaneously and in real time.

FIGURE 3. Utility of social media and online platforms in helping CSOs achieve their goals

Source: Resilient Civic Spaces Survey, 2021-2022, The Asia Foundation
In Sri Lanka, too, digital media facilitates new forms of engagement, such as online consultations, awareness-raising sessions, and capacity-building trainings. It also supports services, such as free legal-aid clinics, and helps CSOs engage with wider audiences, often beyond Colombo and Sri Lanka. New groups of lawyers, trade unionists, senior citizens, school children, and recreationists also use digital technologies to mobilize and to collectively demand government or corporate accountability.

Yet, in all three countries, survey respondents expressed concerns about the potential for their respective governments to co-opt or restrict social media, or for civil society to be controlled through increased scrutiny of online activities. Interviewees in Bangladesh noted that the government increasingly used legislation, such as the Digital Security Act or the 2021 Bangladesh Telecommunication Regulatory Commission Regulation for Digital, Social Media, and OTT Platforms (streaming services). The stated intention of both laws is to address the social consequences of misinformation, but they do so by expanding government control and surveillance of online spaces. A Data Protection Act proposed in 2022 could potentially extend similar controls.

As seen in Figure 4, most survey respondents in Sri Lanka felt that government scrutiny of online activities had increased (73 percent), and that it was harder for activists to share information and communicate freely online (60 percent). In Nepal, a significant proportion of survey respondents experienced increased scrutiny of their online activities (45 percent). In addition, some Nepali interviewees observed more misinformation and increased trolling of activists online. Noting that democracy in Nepal is still quite new, an interviewee said that online information dissemination had no checks or balances and that people’s opinions were easily swayed.

**FIGURE 4. How government scrutiny of CSO online activities and communications has changed**

<table>
<thead>
<tr>
<th>Country</th>
<th>Increased</th>
<th>Decreased</th>
<th>Stay the same</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>All respondents</td>
<td>72%</td>
<td>4%</td>
<td>21%</td>
<td>3%</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>94%</td>
<td>6%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Nepal</td>
<td>45%</td>
<td>3%</td>
<td>48%</td>
<td>3%</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>73%</td>
<td>10%</td>
<td>10%</td>
<td>7%</td>
</tr>
</tbody>
</table>

In addition to creatively using digital media, CSOs employ several other strategies to continue operations and achieve their goals.

**Increased compliance**
Across all three countries, CSOs are investing more time and resources in strengthening their operations and governance to comply with government rules and regulations, from ensuring their accounts are in order to being more transparent about their activities and finances. For example, an interviewee in Bangladesh explained, “We are trying to become a more compliant organization to protect ourselves as an organization and as individuals.” This effort to comply with rules has certain positive aspects; some interviewees noted that it reflects broader discussions within the sector about the need for greater CSO transparency and accountability. However, the effort has also cost CSOs a lot of time and resources as they contend with overcoming legislative and regulatory hurdles to secure licenses, approvals, permissions, and funding.

**Strategic engagement**
Interviewees were vocal about how they have adapted their tactics to maintain engagement with decision makers. In Bangladesh, for example, interviewees spoke of efforts to find constructive and creative ways of engaging with the government officials, from providing detailed information about their activities to framing their requests within the government’s larger development and diplomatic goals. Such efforts include working with supportive champions and advocates within government. Some interviewees suggested that there might be more room for CSOs affiliated with international organizations to speak out and maneuver. While interviewees emphasized the value of strategically using data and evidence to support their advocacy efforts, they worried about the paucity of accurate and up-to-date data available to them. They also highlighted the increasing...
politicization of national statistics that capture economic growth and development information, especially when used to contradict official narratives.

Similarly, in Sri Lanka interviewees emphasized the importance of finding allies in government and building rapport with powerful political actors where agendas align. One interviewee, describing an alternative approach, said their organization had begun to focus on engaging with issue-based groups, such as the parliamentary women’s caucus.

**Networks and alliances**

Interviewees in Bangladesh and Sri Lanka emphasized the importance of networks, connections, and resources as essential enablers for work on contested issues. A Bangladeshi interviewee spoke about the need to identify and build alliances and coalitions around particular issues by engaging with the media and with grassroots and community-based organizations to generate discussion and mobilize support around an issue, especially potentially contentious ones.56

**New forms of collective action**

While our research did not dive deeper into these dynamics, our literature review and conversations with interviewees highlighted the significance of emergent forms of collective action. This was particularly true in Nepal, and more recently in Sri Lanka, where newer, younger, and often more informal forms of collective action have emerged, at times occupying spaces abandoned by formal CSOs. In some ways, these civic spaces are more open and evolving than ever before, particularly at the local level in Nepal.
OVERARCHING TRENDS

Our analysis finds four interconnected trends affecting civic spaces and influencing the actions of CSOs across the three countries. Each trend presents opportunities for engagement and a call for discretion from donors and development actors who risk contributing to a further shrinkage of civic spaces in the region.

Trend 1: Civic spaces are under pressure and increasingly less vibrant.
The use of coercive tactics by governments to curb the ability of CSOs to operate freely, engage in public and online debate, or critique government creates an increasingly challenging operating environment that places many CSOs or media agencies at risk of demise, with only those that are better resourced more likely to survive. While all survey respondents and interviewees affirmed their commitment to their original missions, the impulse to survive likely means that many will or have narrowed the scale, focus, and visibility of their activities on politically sensitive or contentious issues. Under these circumstances, in Bangladesh and, to a certain extent, in Sri Lanka, self-censorship seems a necessary strategy for many CSOs and activists. Interviewees alluded to the fact that they were hesitant to share their views openly, either online or in public, fearing consequences for their organizations or themselves personally. This fear inevitably impacts their work and underlies their shift in focus toward less politically sensitive issues, such as health, education, and women’s rights. While these issues are essential and require civil society engagement, the shift away from sensitive or contested issues weakens the liberal, deliberative, and participatory principles of democracy. In addition, donor and government preferences for “constructive engagement” between civil society and government along with the possibility of reductions in donor and international funding for civil society activities – particularly for issues such as governance, accountability, access to justice, and human rights – has left CSOs less willing or unable to work in these contested areas. While some civil society actors take a pragmatic approach, viewing constructive engagement as a survival tactic, others see it as a sign that governments are increasingly keen to co-opt CSOs and their activities to bolster their own development agendas and political priorities. The pandemic exacerbated this trend, as many CSOs stepped in to assist governments in their pandemic response and meet vital service delivery and humanitarian needs.

Furthermore, CSOs must contend with extensive legislative and regulatory requirements, on the one hand, while securing funding that often comes with short project timelines, on the other. This means that CSOs are investing extensive time and resources just to stay afloat. In turn, survival becomes a matter of privilege. Small organizations that operate from rural or small urban bases, or that are led by or represent marginalized groups, face a heightened risk of closure and other challenges.

Trend 2: Civil society is less able to act collectively.
Ultimately, the strength of civic spaces derives from the fabric of civil society relationships and networks. Civic spaces are best thought of as ecosystems – the more diverse they are, the more vibrant and beneficial they are. When civic spaces shrink and self-censorship rises, a ripple effect is triggered that negatively impacts on the ability of civil society actors to build coalitions and
solidarity. Donors and development actors should note that their changes to funding landscapes and use of competitive grant mechanisms tend to disincentivize the inter-civic-actor collaboration so critically important for the resilience of civic spaces.

**Trend 3: Subnational civic spaces are expanding and shrinking at the same time.**

Interviewees in all three countries noted that CSOs based outside large cities had less access to resources, particularly core and long-term funding; they also faced greater scrutiny by the authorities. At the same time, local authorities have proven more willing to collaborate with CSOs, especially during the Covid-19 pandemic. Nepal’s federalism reform, in particular, presents a significant opening for civil society engagement as the central government provides resources for engagement at the provincial level. In some ways, this tension can be understood sector by sector: subnational civic spaces are expanding for civil society actors that work on service delivery, but such spaces are heavily scrutinized and dangerous for actors working on governance, transparency, accountability, or independent media.

**Trend 4: Spaces remain for engagement and creativity**

While it is undeniable that the overall space for debate, critique, and accountability is shrinking, CSOs continue to innovate and adapt their practices to stay true to their vision. They build coalitions to work on sensitive issues with the security of numbers, forge alliances, refer to and explicitly lay out how their positions and work comply with legal and regulatory frameworks, and, wherever possible, work with champions within government. CSOs also overcome hurdles by exploring new operating modalities, such as for-profit entities and private limited companies, or by using social media and digital technologies to extend their reach and mobilize citizens and public opinion. As recent events in Sri Lanka showed, registered formal organizations are only one dimension of the collective action that takes place in civic spaces.
RECOMMENDATIONS

The four trends give a sense of the complex and sometimes contradictory experiences of civil society within national civic spaces in Bangladesh, Sri Lanka and Nepal. Overall, there are clear limits on what civil society, especially formal CSOs, can do in contexts of concentrated political power and weakened mechanisms for justice, accountability, and democratic checks and balances. Aiming to strengthen civil society is but one part of the larger efforts needed to build democratic resilience. Central to these endeavors is the enablement of an ecosystem that values and protects debate, collective action, and accountability. The following recommendations for donors and development agencies working on building democratic resilience in South Asia strongly echo suggestions made by civil society representatives during the Foundation’s research:

Understand civil society resilience strategies: While many civic actors demonstrate immense resilience in the face of shrinking civic spaces, they require support – especially at the local level. Development partners can begin by seeking local CSOs out and learning about their successful management and mitigation strategies for risk and scrutiny, and their tactical strategies to pursue change. Development partners should make a point of engaging with and learning from smaller and non-capital city-based organizations and collectives.

Invest in critical areas of support: Development partners should understand and acknowledge the increasingly challenging circumstances that CSOs face. Partners should work with CSOs to determine how to build institutional capacity and best support their efforts, such as by providing training to strengthen financial and operational management, strategic planning capabilities (including succession planning), and communications and outreach strategies, including social media and online identity and data security. CSO staff would also benefit from executive and other coaching to improve leadership and conflict-resolution skills and behavior change strategies. Finally, to support organizational capacity, donors should also consider bolstering staff well-being and mental health.

Support networking at national and regional levels: Donors and development partners should deploy their resources and own national, regional, and international networks to help civil society construct or strengthen their own networks. Civil society-led networks can offer a space for actors across geographies to collaboratively respond to critical political moments. They can also provide higher levels of protection and space for innovation, knowledge-sharing, contestation, reflection, and debate. For example, faced with stringent national-level restrictions, regional democracy networks have shown they can play a positive role in supporting local groups and advancing their mission.58 Donors and development partners can play a vital role by providing funding and technical assistance for civil society to operate online and in-person spaces that enable dialogue, learning and strategy development. While doing so, donors and development partners should be intentional about ensuring such spaces are accessible and safe.

Continue to work on potentially thorny issues: Areas like governance, accountability, and access to justice are in dire need of additional donor investment and technical support. The highly political
nature of these issues necessitates politically informed and locally led investment decisions and engagement strategies that are flexible, adaptive, and rest on a common understanding of risks (and how to mitigate them) by donors, development partners and civic actors on the ground.

Bolster capacity to predict and respond to critical junctures: Donors and development partners must bolster their own and civic actors’ foresight capabilities by proactively performing scenario planning and conducting risk assessments. Partners and CSO should also use horizon scanning to monitor political environments for opportunities and risks, because elections have been associated with increased government surveillance and civic space shrinkage, sometimes by legislative means. Conversely, social movements and protests can also lead or leverage events that open and extend civic spaces to a more diverse range of civic actors and voices.

**Invest in transformative agendas:** Even in contexts of severely shrinking civic space, donors and development partners should look for opportunities to invest in transformative agendas, such as supporting collectives and CSOs that work with or represent disadvantaged and persecuted communities, such as religious and ethnic minorities, people with disability, LGBTQI+ people, and women’s rights activists. Development partners can also support youth engagement through political-literacy and education programs in all three countries.

**Leverage aid and diplomacy in response to democratic regression:** International donors should use their relationships and networks within embassies and influential international bodies to encourage the use of soft power to demonstrate allyship with civic actors and defend civic spaces. This can be done by international development partners investing in education, research cooperation, and scholarships that can reap intergenerational benefits. Donors should develop and prioritize these strategies based on local contexts while seeking to support a diverse set of local leaders and agendas for reform. Donors should also recognize that global great power competitions and the competing geopolitical interests of donor countries impact local civic actors. Therefore, development partners should be understanding of CSOs positions, particularly when CSO navigate their way through so-called sensitive issues and adapt their programming in response to changing political dynamics. Donors and development partners should keep in mind that positive change is more likely to result from locally articulated and locally led strategies than foreign ones.

In sum, to counter risks of democratic regression in South Asia (and elsewhere), international donors and development practitioners must adapt their strategies and investments. First and foremost, they should work to protect and promote endangered civic spaces. This may require a shift away from traditional modus operandi, such as timed project cycles, to a broader vision and commitment to supporting local and regional ecosystems. In this way, development partners can better enable civic actors to express themselves, organize, and meaningfully engage in public policy decisions. Development partners are more likely to be effective in building democratic resilience when they partner with a diverse group of local civic actors and support initiatives that aim to generate transformational change over the long term. This can be accomplished by building and reinforcing local capabilities and facilitating institutional reform, and by adapting partnership modalities to be fit for purpose for today’s geopolitical reality.
ENDNOTES

1 The three categories include a range of actors grouped on a spectrum of formality, starting with individual efforts (citizen activists) to loosely formed coalitions, networks and movements (collectives) and to more formal entities from media, nongovernmental organizations, religious organizations, universities (civil society organizations).


3 CIVICUS (2022, August 25). Sri Lankan president continues crackdown on activists and protestors including the use of Anti-Terror Law. CIVICUS, Johannesburg.


5 Respondents for the research were sourced through the Foundation’s South Asia Governance Program, a civil society strengthening program that supports 90 local organizations in the region.


8 Andrew T. Little and Anne Meng (2023, January 17). Subjective and Objective Measurement of Democratic Backsliding. SSRN.


While the definition of democracy continues to be debated, it can be understood as a system of governance comprising of four key elements proposed by Larry Diamond in his 2004 lecture, *What is Democracy?*: (i) a political system for choosing and replacing the government through free and fair elections, (ii) the active participation of the people, as citizens, in politics and civic life, (iii) protection of the human rights of all citizens; and (iv) a rule of law, in which the laws and procedures apply equally to all citizens. Finally, in many contexts it is indeed through the first element of elections that the subsequent elements are being undermined, particularly through the curtailment of civil society and independent media in particular, further highlighting the importance of understanding changes to civic space and civil society resilience in response.

This armed conflict between West Pakistan (now Pakistan) and East Pakistan (now Bangladesh) lasted for about nine months and resulted in Bangladesh’s independence from Pakistan; see e.g., The Asia Foundation (2017). *The state of violence in Asia: Bangladesh.* The Asia Foundation, San Francisco.

Civil society can be understood as a sector of society composed of individuals and formal or informal collectives and organizations distinct from the government and business. In this study, the term “civil society” refers to all actors within civic spaces and the term “civil society organization” (CSO) refers to formal organizations. We view Nongovernmental organizations (NGOs) as are a type of CSO, as are think tanks, social enterprises, special-interest associations, and so forth.
30 CIVICUS (2022, August 20). Monitor Tracking Civic Space, Bangladesh. CIVICUS, Johannesburg.


35 See World Bank Measures of Poverty and Shared Prosperity Report 2018


37 ‘Elite power configurations’ relate to how military, political, social and economic elites in a particular society negotiate, use and distribute power and resources among themselves and with society at large.

38 Such as the 2016 Foreign Donations (Voluntary Activities) Regulation Bill (FDRB); 2018 Digital Security Bill; 2022 Data Protection Act and Bangladesh Telecommunication Regulatory Commission Regulation for Digital, Social Media and OTT Platforms have been critiqued for the extensive powers they grant authorities over the internet, citizen data, information, and free speech more broadly. See, for example, Nilesh Christopher (2022, August 24) “Bangladesh’s new data protection law grants more power to the state than its people,” rest of the world, and ICNL (2022, September 18) Bangladesh.

39 Bangladesh key informant interview No. 1, No. 2, No. 3, No. 4 and No. 5

40 Dhaka Tribune (2022, June 6). “Bangladesh cancels human rights group Odhikar’s license,”

41 Bangladesh key informant interview No. 3.

42 NP KII 01 and Validation workshop

43 Tamil Guardian (2015, January 13). “NGO Secretariat to be under Sri Lanka’s defense ministry.”

44 The erosion of civic space in South Asia. The Caravan. December 21, 2020

45 When interpreting survey results in this section, note that Foundation researchers distributed surveys to South Asia Governance Program (SAGP) partners who might have higher-than-average levels of CSO engagement with governments since collaboration with government is a criterion for partnership.

46 Out of a total of 36 CSO respondents from Bangladesh, 50 percent said they engaged directly with government “frequently” and 41 per cent said they did so “sometimes”.

47 Sri Lanka key informant interview No. 3.

48 Nepal key informant interview No. 1.

In response to a question on changes in funding during the pandemic, three-fourths of survey respondents (74 percent) in Bangladesh and about half in Nepal (52 percent) and Sri Lanka (50 percent) said that funding has “decreased”.

Nepal key informant interview No. 5.


Nepal key informant interview No. 5.

Bangladesh key informant interview No. 1.

Bangladesh key informant interview No. 5.

See V-Dem Principles of Democracy.

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