

## **DEVELOPMENT AND SOCIAL CAPITAL: A CASE STUDY OF SELECTED MALAYSIAN NON-GOVERNMENTAL ORGANIZATIONS (NGOs)**

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*Social scientists continue to grasp for critical factors that foster or impede the development of social capital. This article examines some of these factors based on an investigation of developmental issues in rural Malaysia. Community activists and leaders, NGO staff, and key informants living and working in the designated locality indicated a complex and diverse range of social, cultural, political, and economic issues that have spurred Malaysian NGO involvement in alternative and participatory approaches to development. This situation is partly because the state-led developmental strategy adopted by the Malaysian regime since independence has impeded the development of social capital by curbing civic participation and participatory forms of social organising.*

**Keywords:** non-governmental organizations (NGOs), social capital, developmentalism

### **INTRODUCTION**

The concept of social capital has come to the forefront as a crucial ingredient in achieving equitable and sustainable development, participatory democracy, crime reduction, empowerment from below, and effective government. Although the concept is often used in an over-generalised fashion, many social scientists have accepted the pertinence of social capital as an essential component of social organising and the creation of a strong civil society. Many are eager to find ways to help foster social capital and remove obstacles to its accumulation.

Like many countries in East and Southeast Asia, Malaysia continues to live through the legacy of an authoritarian past. Social capital and strong norms of social organising and civic engagement have not been part of the general landscape because local elites who inherited the state from the British colonial administrators had adopted the latter's divide-and-rule strategy. It has also been argued that the emergence of civil society in a post-colonial and multi-ethnic society is highly dependent on the state and that civil society in a multi-ethnic society can also act as a polarising force, thereby impeding the development of "broad-based" social capital (Azeem, 2011).

Because Malaysia inherited a well-developed civil service from the British and experienced robust economic growth, the state has, since independence, pursued a developmentalist strategy, which effectively blocked NGOs from providing direct services to the masses. For instance, Malaysian NGOs were seldom involved in relieving the immediate suffering of the poor and meeting their short-term visible needs in the hope that they may get themselves back onto their feet to escape poverty. Alternatively, assistance to the rural poor and peasants was handed out through appendages of the dominant party in the ruling coalition – the United Malays National Organization (UMNO). This could be because UMNO relies heavily on rural Malay voters for its electoral supremacy; one way to win crucial Malay votes in the rural areas is to be viewed as the "protector" of the Malays (Chandra, 1979). As the dominant party in the ruling coalition, UMNO has been able to dispense various forms of patronage through several mechanisms, such as the local village council.

This article seeks to demonstrate how Malaysian NGOs have challenged the state's notion of developmentalism by invoking a different conception of democratic involvement and action that are in sync with the development of broad-based social capital. The intention here is not to provide a comprehensive survey of all Malaysian NGOs that are involved in participative/alternative development initiatives but to give an overview of projects and events to illustrate the depth and character of NGO efforts at alternative and grassroots development. The article begins with a brief conceptual framework establishing the links between social capital, NGOs, and development and proceeds to examine the strategies adopted by Malaysian NGOs in challenging the state's top-down developmental approach.

## **SOCIAL CAPITAL AND DEVELOPMENT: THE LITERATURE**

Since the publication of Robert Putnam's book *Making Democracy work* in 1993 (Putnam, Leonardi and Nanetti, 1993), social capital has become central to debates and discussions about development (Evans, 2008; Woolcock and Narayan, 2000; Paxton, 2002). In his study comparing government performance in different regions of Italy, Putnam argues that strong "networks of civic engagement" are the principal determinant of higher quality government and socio-economic development. The degree of civic engagement depends upon social capital or, as Putnam defines it, "the features of social organisation such as networks, norms, and trust, that facilitates coordination and cooperation for mutual benefit" (Putnam, 1995: 66–67). Putnam found that stronger social capital and resultant civic engagement in Italy's northern regions led to their superior economic performance and governance when compared with southern Italy. Putnam asserts that social capital is produced by the continuous exercise of community norms and organisational culture. Put simply, social capital is the

stock of norms of reciprocity, trust, and organising within groups – a battery driving the social organising and networking process.

A number of studies have demonstrated the value of social capital (Uphoff and Wijayaratna, 2000; Mayoux, 2001). In one prominent investigation, Pritchett and Narayan constructed a social capital index by surveying 1300 households in Kenya and measuring the density and quality of social networks and forms of reciprocity (World Bank, 1997: 115). Their research revealed that higher average levels of social capital within a given village correspond with higher overall village income. They argue that groups with higher levels of social capital tend to communicate and cooperate more easily, which leads to economic benefits such as protecting common resources, sharing information, and reducing transaction costs.

Several scholars have argued, however, that the term social capital has become over-generalised and that a clearer definition is necessary. Some contend that social capital is generated at a variety of levels – family and kin, friends, community, wider social networks and civic associations – to achieve shared results (Woolcock and Narayan, 2000; Marysse, 2009). Bonding social capital has been identified as that which exists among kin and extended family or work members, and bridging social capital refers to capital among wider and more general social networks (Marysse, 2009: 6). Evans (2008) suggests the importance of a more regionalised social capital to overcome locally confined solidarities to increase representative bargaining power and access to information.

Other studies have also explored social capital existing across the state-society divide, which in turn enables synergy and cooperation (Evans, 2008). In a study of 13 development programmes in Asia and Africa, Brown and Ashman (1996) found that higher levels of social capital in terms of the number of quality or grassroots organisations, and the degree of inter-sectoral links between public and non-governmental actors, resulted in more effective programme design, implementation, and long-term change. They conclude that the creation and strengthening of social capital is essential to building inter-sectoral collaboration to mobilise local resources and direct energies towards future problem solving (Brown and Ashman, 1996).

Some scholars have also problematised the concept of social capital by arguing that it is not inherently linked to noble ends, such as democracy, equitable economic development, and inclusion that Putnam and others have attributed to it. Nepotism, exclusivity, and divisions among families and communities may result from bonding social capital. Using Putnam's example, Putzel (1997) notes that social capital in northern Italy may have led to fascism and high rates of organised crime in the region.

These debates are sure to continue, but the most significant issue to note here is that the hype surrounding social capital has brought the importance of the

power of social organising and civic engagement front and centre in the development arena.

## **SOURCES OF SOCIAL CAPITAL**

Many social scientists have begun to research the possibility of social capital being fostered by the state and other entities (Putzel, 1997; Evans, 2008). This theme has led to investigations of the conditions that facilitate and promote the evolution of civic community and a scaling up of broad-based horizontal networks of trust and reciprocity.

### **State**

Provision of a rule-governed environment in which the state allows collective action and social organization to take place appears to be the most basic way in which to promote social capital (Azeem and Mohd Zaini, 2007; Evans, 2008). Without the rule of law, existing elites typically counter new forms of social capital and social organising. The mobilisation of state resources and new institutional approaches based on incentives for collective action has also inspired societal responses. Fox (1996) attributes local community participation in the overseeing of food subsidy programmes to channels created by reformists in the Mexican government. He finds that such channels fostered capacity building and made possible region wide networking and freedom of assembly beyond the village level. Tandler and Freedheim's (1994) research into a Brazilian public health programme indicates how the government's encouragement of local participation in health committees generated new relations and trust between the government health service and the community, inspiring new forms of community organisation. Their study reveals newly organised community health workers helping to build trust among local families who would have previously been reticent to open their doors to public health officials.

### **The Market**

Economic pressures cause a breakdown in broader-based social capital as people exacerbate ethnic, class, gender, and family differences and turn inwards to meet their survival needs (Buckland, 1998: 241). Roberts (1973) found that urban growth and low levels of industrialisation in Guatemala created competition for jobs and living space, which inhibited cohesive residential groupings. People in such environments, he claims, find themselves living and working with strangers, lacking the trust that enables them to organise. In a review of urban squatter settlements, Moser (1996) indicates mixed results; economic pressures increased social capital by creating incentives for reciprocal relationships but also

decreased social capital as families became less able to cope; thus, community trust broke down, specifically as women spent less time in the community and more time trying to earn money.

### **Society**

External allies – namely, religious, development, environment, and civic organisations – have also been widely credited with fostering opportunities for social capital accumulation within the local, regional, and national context. The democratic wing of the Catholic Church, for example, encouraged social capital and social organising by training thousands of lay activists and local self-help projects in rural Mexico (Fox, 1996: 1096). External actors, including NGOs, human rights, and environmental organisations, potentially play a major part in social capital formation as they provide positive incentives for horizontal cooperation, thwart negative sanctions for collective action, and reduce the fear of retribution (Paxton, 2002).

### **SOCIAL CAPITAL AND NGOS**

NGOs seem to foster social capital both positively and negatively, depending on their intervention approaches. For example, some NGOs appear to limit or block social capital formation by providing direct services. This strategy, implemented mainly by Northern Hemisphere-led and funded NGOs, aim to relieve the immediate suffering of the "poor" and meet their short-term visible needs in the hope that they may get themselves back onto their feet to "escape poverty". Such NGOs view their role as the "doer", placing low expectations of participation and commitment on beneficiaries. Although this approach does provide for the human and physical relief and development of many "poor" people, many argue that this non-participatory approach minimises the wider social capital-building processes, primarily by contributing to people's mentality of dependence on others, perpetuating top-down values, and acting as a barrier to more fundamental structural change (Rahman, 1995). Moser's (1996) investigation of urban squatter communities finds that communities served by a top-down delivery system, including NGO welfare programmes, had less developed community-based organisations. Buckland's (1998) case study of prominent NGOs in Bangladesh highlights how advances made by highly technical income-generation projects came at the expense of community self-reliance and the ability to communicate and promote organisation among the rural poor (Buckland, 1998: 239). Buckland finds that NGO interventions enhanced community norms and networks but mainly between the NGO practitioner and the participants as opposed to social capital within and among the community of participants.

On the other hand, NGOs following intervention strategies based on capacity building, advocacy, and incentives to collective action have played a significant role in social capital construction. Since the late 1980s, more NGOs have become involved in lobbying, mediation, advocacy, and civic education, with the aim of strengthening the capacity of local organisations (Riddell and Robinson, 1995). Grassroots Support Organizations (GRSOs), or what Carroll (1992) calls "intermediary NGOs", have been shown to foster social capital by working together with people and communities in providing capacity-building support to foster collective action and the extension of cooperative bargaining norms and networks. In his analysis of irrigation projects in Bangladesh, Buckland (1998) notes the role of GRSOs in developing and mediating linkages to generate social capital at higher levels. He identifies a case in which the strategic intermediation by an NGO between irrigation networks and the rural elite helped foster social capital, which in turn led to greater cooperation and programme success.

Furthermore, NGOs have been identified as catalysts of social capital across the state-society divide by promoting information sharing, exposing government to neglected grassroots perspectives, and acting as agents of partnership (Clark, 1996). Evans (2008) argues that NGOs that want to build social capital among the "excluded" should not view the government as the enemy but rather look to reformists in government as allies with whom to collaborate and create synergy. Such intermediation roles are not easily established, however, and pathways for state-society social capital building are not always available. Governments and NGOs may view each other as competitors and are often unwilling to share information and data, and some NGOs may prefer isolation as a means to escape government attention (Clark, 1996).

## **DEVELOPMENTALISM IN MALAYSIA**

Most development theories addressing late industrialisation, dependent development, or unequal exchange in the world system give significant attention to the state. Their main concern is to clarify the role of the state in exercising its direct and indirect influence on the economic growth of industrial latecomers. The concept of a "developmental state" focuses on political will, ideological coherence, bureaucratic instruments, and the repressive capacity necessary to formulate and implement effective economic policies and promote high-speed capitalist growth (Gereffi and Wayman, 1990). It is argued that the main preoccupation of the leaders of developing states is rapid economic growth necessary to compete in the world market. It is further argued that economic growth in the developing world requires planned and sustained state intervention and that the state be insulated from societal pressures (Johnson, 1982; Friedman,

1988). With global trends moving towards privatisation and economic deregulation in the 1980s, Malaysia, too, adopted neo-liberal economic policies in the late 1980s, especially after the country had experienced economic recession in the mid-1980s. With the end of the New Economic Policy (NEP) (1971–1990) approaching, the private sector replaced the public sector as the engine of growth under the auspices of "Malaysia, Inc." and the National Development Plan (1991–2000).

The rapid economic growth rates of the early 1990s and the resultant "trickle down" provided new jobs and opportunities as well as improved the living standards of most Malaysians. This situation lasted until the 1997 financial crisis set in. The discourse of developmentalism came into its own amidst this economic growth. It coincided with the strengthening of Malaysia's middle class involving all ethnic groups. Embraced by the middle class, the new political culture placed value on sustained economic growth that facilitates an improvement in material standards of living while also resulting in the spread of consumerist habits. Its corollary is an appreciation of the value of political stability, which many Malaysians believed could only be guaranteed by a strong BN-governed state even when it resorted to authoritarian means.

Developmentalism, therefore, is the cultural consequence of a strong developmental state when citizens begin to enjoy improved living conditions as a result of the economic growth the state has fostered. During the 1990s, this developmentalism increasingly displaced the ethnic political discourse and practice. Two other related occurrences, namely, cultural liberalisation and the rise of a politics of public works and services, further facilitated this developmentalism (Loh and Khoo, 2002).

What is of concern here is the fact that developmental states promote successful industrial transformation. They are able to do this because they possess "embedded autonomy" – a combination of corporate coherence and connectedness. Put differently, embeddedness is defined as close links between state and society, such that the state is embedded in society, whereas autonomy refers to a bureaucracy characterised by meritocratic recruitment and structure that creates commitment and corporate coherence (Evans, 1989). The developmental state thesis explains East Asian developmental success as a result of the formation of coherent strategic alliances between the state and capital as the state apparatus is embedded in the private sector. However, its bureaucratic autonomy allows the state to transcend the conflicts between individual interests present within the private sector, pushing the alliance towards an overall goal of strategic industrialisation. It is widely assumed that East Asian states are highly insulated from societal pressures and are therefore better able to carry out their objectives. Taiwan and South Korea have been cited as cases in which existing social norms and structures aided the state.

In Taiwan, for example, the near absence of the rural elite allows the state to use agriculture taxes and surplus production to finance industrialisation

without significant opposition, whereas in South Korea, the high status and autonomy historically accorded to the bureaucracy allows the state to recruit members of the traditional elite to its service and demand their allegiance to state goals rather than those of their own groups (Amsden, 1985; Evans, 1989). According to Gereffi and Fonda (1992), the rise of bureaucratic regimes in Latin America in the 1960s and 1970s and the subsequent "redemocratisation" has been used to explain development strategies in that region, whereas the reformulation of the bureaucratic-authoritarian model has been utilised to explain the greater coercive capacity and exclusionary character of the developmental state in countries such as South Korea and Taiwan, as well as the impact of the distinctive East Asian regional development. Whereas an agreement exists that these states dominate their societies, there is also a consensus that the specifics of the state-society relations vary across cases and affect the states' ability to carry out their projects. In Brazil, an initial state intervention resulted in high levels of economic growth, and the Chilean state was able to not only carry out its denationalisation but also introduce free market principles and practices (Evans, 1979).

Alternatively, where strong states and equally strong societies exist, societal groups can resist state intervention (Cohen, 1989). In this case, the state may set out to achieve an ambitious economic plan, but its success will be highly dependent on state-society relations. Scholars have noted that even when a state has played a prominent role in economic development, it may still face resistance from highly organised societal groups with their own economic interests. The Indian and Mexican cases demonstrate the way strong states can be captured and constrained by societal groups. Rudolph and Rudolph (1987) characterise the Indian state as semi-autonomous or constrained and treat it as a third actor that influences economic development, along with labour and capital. However, they agree that whereas the Indian state is able to formulate and implement economic strategies with some success, its ability to implement them is hampered by the societal pressures generated by a pluralist open polity. Regarding Mexico, Grindle (1986) and Bennett and Sharpe (1985) assert that state planning and implementation of economic policy and its reliance on and support of the private sector are the main reasons for its continued ability to direct development. Hamilton (1982) presents the dissenting view that the Mexican state was less able to control and build the private sector because foreign capital and business elites often restricted its autonomous decision-making processes. The democratisation of the once-bureaucratic authoritarian states in Latin America reflects the successful movement by societal groups to reorganise themselves and to assert their economic and political interests, limiting their autonomy.

Tselichtchev and Debroux (2009) argue that the Asian financial crisis had undermined one of the pillars of the developmental state: cooperative relations between government and business. Instead of supporting businesses through various preferential treatments, governments had to initiate speedy



reorganisation and restructuring using a stick rather than a carrot. Whereas East Asian states were able to guide, support, and protect domestic businesses and establish close ties with particular industries, companies, conglomerates, families, and clans, the Asian crisis had severed, or at least curtailed, these types of arrangements. They went on to say that resource allocation has become increasingly market-driven, and the state's role as creators, protectors, and promoters of particular industries has declined (Tselichtchev and Debroux, 2009: 64). Most states in Southeast Asia are expanding their Government-Linked Companies (GLCs) to establish them as key players and are actively going global. As such, Southeast Asian states are encouraging them to operate as autonomous, self-reliant business entities, competing at full strength domestically and globally.

### **NGO INVOLVEMENT IN EMPOWERMENT AND PARTICIPATIVE DEVELOPMENT IN MALAYSIA**

The NGO perspective on development in Malaysia can be said to be a reaction to developmentalist strategies adopted by the state. The state had and is still promoting developmental policies that privilege capitalist production and economic growth with the assumption that the spill-over effect of development can be of benefit to society as a whole. NGOs have criticised this assumption and contend that resource-poor groups have not enjoyed democratic participation in development. Alternatively, these groups have been targeted as objects in developmental projects undertaken by the state. Put differently, the NGO perspective maintains that the developmental policies pursued by the state had either failed to deliver meaningful long-term sustainable improvements to the lives of disadvantaged people (Weiss and Saliha Hassan, 2004: 1–24).

This alternative view on development focuses on empowering the disadvantaged and a commitment to democratising development. Democratic development essentially challenges centralised technocratic development strategies and aims to help disadvantaged groups articulate their own aspirations and needs. The process of alternative development thus assumes active intellectual participation, and the role of the NGO activist within this is arguably to empower people to envision and undertake their own development. Alternative and participatory development should, by definition, lead to greater democratisation through better participation and a more active conception of citizenship. The issue addressed in this article is how NGOs mediate popular participation, build broad-based social capital, and advocate alternative development. The case studies below will try to tease out these themes more clearly.

### **CASE 1: THE CONSUMERS' ASSOCIATION OF PENANG (CAP): THE ANTI-TOXIC WASTE MOBILISATION**

Consumers' Association of Penang (CAP) has played a central role in articulating alternative ideologies of development and represents a major organisation that is involved in advocating, organising, and implementing human development goals in Malaysia. CAP and the other Malaysian consumer organisations, generally speaking, have similar aims with respect to the more traditional role of consumer associations in protecting consumer rights and providing checks on the quality and safety of consumer goods.

Nevertheless, CAP consciously adopts and tries to propagate anti-systemic ideology through its educational campaigns, publications, and talks.<sup>1</sup> In terms of intellectual participation, CAP could be considered an agent of participatory development in that it is responsible for training action and mobilising civil society. CAP's strategy of empowerment through community mobilisation can be illustrated with the case of the struggle against the building of a toxic waste facility in Bukit Nenas, a rural area south of Kuala Lumpur. CAP was instrumental in raising public awareness at both local and national levels about the proposed development to build a toxic waste reprocessing plant that would affect 1,879 families from 7 Chinese New Villages and 5 Malay villages and up to 50,000 in the district. The developer that had tendered to build the toxic waste facility was a consortium of Danish and Malaysian companies called *Kualiti Alam*. The consortium had received the "green light" to proceed with the development project even before the Environmental Impact Assessment (EIA) had been completed. Equally importantly, public opinion was not heard, nor was alternatives explored.

In August 1992, CAP submitted a detailed memorandum to the Department of Environment, criticising the project and calling for a ban against the project. The controversy over the plant was covered as a major story in CAP's monthly newspaper in August and September 1993. CAP criticised the project on the grounds of lack of public accountability. It raised the issue that the Bukit Nenas residents were not consulted or given adequate information about the project. CAP also raised concerns about ecological effects and environmental safety especially the possibility of groundwater contamination.<sup>2</sup> The NGO concluded that the project was unsafe and the site was too near residential dwellings and agricultural land. As such, an alternative and cleaner technology should be explored. To assist the residents in their struggle against the project, CAP brought the various ethnic communities together in forming a local residents' committee. This is no small feat considering that building trust among the various ethnic groups was an issue. The chairman of the committee admitted that ethnic divisions had impeded the communities from coming together to oppose the project. Joint mobilisation against a project that transcended ethnicity was rendered problematic by the fact that inter-ethnic tensions were easily

inflamed, partly because some Malay village committee members were keen to sell their land for quick cash.

Given these difficulties, CAP was of the opinion that the anti-toxic waste committee was engaged in a losing battle as far as preventing the project from taking off was concerned. Nevertheless, CAP continued to lend its support to the anti-toxic waste committee by providing information, clarification, and legal advice. Conversations with the committee members and some residents indicated that CAP had managed to build trust among them, indicating that residents would talk about their problems to each other irrespective of their ethnicities. It was also noted that top-down dependency culture in which people have grown accustomed to seek help from political parties had initially impeded grassroots organising – "people are promised the world by politicians and they think it is the responsibility of others to improve their communities. This takes away their own responsibility and they don't participate because they think it should be done for them."<sup>3</sup> Few leaders were coming forward from the community to lead wider collective efforts. Some residents mentioned that they would be involved if there was someone to lead them and give them orientation, and they noted that CAP had played an important role in providing the residents with training, lobbying, filing application, writing plans and proposals, and organising strategies.

This case study has demonstrated that CAP was able to build broad-based social capital by unifying the divided communities and mobilising them. More importantly, CAP had raised local consciousness about fundamental issues in rural development. This action could be interpreted as an example of economic empowerment and participation, illustrating the possibility of conflicts of interest arising between those who were empowered to mount radical protest against the project and those who were co-opted into buying into the developmental project.

## **CASE 2: PARTICIPATIVE COMMUNITY DEVELOPMENT PROGRAMME**

Muslim Youth Movement of Malaysia's (ABIM – Angkatan Belia Islam) Participative Development Programme is a major undertaking in rural development covering 28 districts in four northern states: Pulau Pinang, Kedah, Perlis, and Perak. The Participative Community Development Programme is based in Sungai Petani in the state of Kedah and is part of ABIM's *dakwah*<sup>4</sup> (Islamic revivalist) philosophy of human development, a wide and holistic conception that recognises no distinction between spiritual, emotional, economic, and social fields of activity. This development agenda reflects the concept of "*dakwah bil-hal*", which means missionary or revivalist activity that is holistic and spiritual yet rooted in everyday activities and aimed at changing the world in practical way.<sup>5</sup> In ABIM's conception, *dakwah* is not just a theological message but one that must be reinforced with practical application in everyday life. It

overtly aimed to change the social conditions of targeted sections of society – a practical understanding of *dakwah bil-hal* stresses direct interaction with the community in various sectors.<sup>6</sup>

Aside from its theological basis, ABIM's approach has many similarities with the alternative school of rural and community development that employs a participative methodology. The life histories of ABIM's past presidents reflect an eclectic mix of ideas, combining their personal experiences of Islamic reformism, of activism, and of their varied educational background. As such, ABIM's Community Building agenda had used Participative Action Research as its methodology. This programme was developed in 1989; from 1990 to 1991, this initiative was made known to ABIM's core activists. Approximately 150 activists were trained as community development catalysts. Beginning with experimental programmes in selected locations and with selected groups, ABIM's activists attempted to apply the concepts of empowerment and self-reliance. In approaching their target-groups, ABIM's philosophy is to highlight a multi-level and people-centred approach. Apart from groups that were side-lined from mainstream development, ABIM also attempted to influence decision-makers in the state and the private sector. Their strategy for engagement with the state and the private sector was through submission of memoranda and through consultation with the former Deputy Prime Minister Anwar Ibrahim (Anwar is the founder of ABIM). Through their bottom-up strategy, ABIM aimed to have an immediate impact on the Malay-Muslim community. Put differently, the main objective of ABIM's Community Building programme was to transform its activism from a mass movement that was focusing on influencing religious ideas and lifestyles to an agent of economic, social, cultural and political empowerment especially for the poor and the marginalised sectors of society.

ABIM's Community Building project took off in 1991 and targeted existing economic development initiatives, housing, and health projects. Their activists identified existing social welfare and work organisations to work with and used mosques, schools, and training colleges to reach their target groups such as farmers, factory workers, fishermen, health workers, and teenagers. Through the process of empowerment and participatory action research, ABIM's activists began to act as agents for local mobilisation in the 28 districts. The actual nature of their involvement varied and depended on the actual problems of a particular community. In some areas, they provided complementary services to the existing agricultural and fisheries extension projects, and social welfare and economic development projects. In this regard, their role was mainly to enhance grassroots participation.<sup>7</sup>

Some residents in the districts felt that ABIM's efforts had enhanced their enthusiasm of their own organising efforts as people become increasingly accustomed to how participative development can foster greater cooperation among the residents. One respondent stated: "it give the community the initiative and the will to come together." Other residents indicated that "ABIM fostered

greater solidarity by fostering community solutions with the entire community in mind over an individual one." One respondent stated: "I think this has encouraged cooperation among families because solutions are attempted at the collective level."<sup>8</sup>

### **CASE 3: FISHERMEN'S WIVES IN TANJUNG DAWAI**

This is an income generation and social development project that specifically targets women officially designated as "poor" (income falling below the poverty line) in a fishing village in Tanjung Dawai. Tanjung Dawai is located in the northern state of Kedah and is approximately 30 km from the town of Sungai Petani. The women in this project were given small-scale credit, training and premises to process and market fish products such as dried shrimps, fermented shrimp paste, and salted fish, from the Department of Fisheries in collaboration with ABIM and CAP. Community empowerment, health and nutrition training are included in the programme. This programme fits neatly into what Eldridge (1995) has referred to as "high-level co-operation-grass roots development," in that the NGOs had enabled the participants to be actively involved in the project. Nevertheless, there was no effort to change or intervene in the political process even though both CAP and ABIM were promoting their core values of self-reliance and grass-roots participation. Efforts at reform were confined to influencing the government agencies. This approach is effective in preserving the autonomy of both the NGOs and the local groups and is consistent with the local values of politeness and conflict-avoidance. Extra-care was taken to cultivate good relationships with the relevant government agent, but the NGOs were also guarding their autonomy and their commitment to the principle of grass-roots involvement.

In promoting their agenda of self-reliance and participatory development, CAP and ABIM's activists had given a "motivational-talk" to the participants and promoted rural development as an alternative to mainstream development. It highlighted the idea that rural development could be in line with Islamic, traditional, and non-materialist philosophies of development. Village-based development was viewed as an ideal vehicle for the promotion of a cohesive and co-operative way of life with an emphasis on community responsibilities as well as the rights of the poor (Muhammad Syukri, 1992).

### **CASE 4: PENDANG MODEL FARM PROJECT**

Another example of ABIM's effort at economic empowerment is its attempt to create a model farming community in Pendang District in the northern state of Kedah. Pendang is predominantly agricultural, with paddy fields and fruit

orchards producing rambutans, durians, jackfruit, mangoes, dokongs, grapefruit and mangosteen. ABIM has been involved in small collective projects to produce organic fertiliser, collective rice paddies, planting, fishing, women's income-generation projects, and tree planting. The focus of development is agriculture extension, increasing productivity, and self-reliance, cultivating idle land, and encouraging integrated farming techniques. If ABIM succeeds in motivating the target groups, then there will be a movement towards a participatory approach in development.

### **CASE 5: THE COMMUNITY MIDWIVES' PROGRAMME**

ABIM and CAP also facilitated the implementation of a village-based midwives' programme in the northern state of Kedah. It was part of their larger effort to encourage rural communities to form their own self-help association. Both CAP and ABIM plan to promote a nationwide campaign to create awareness among the public that traditional midwives offer services as complementary, or an alternative to conventional obstetric care. In Malaysia, alternative health services such as traditional Malay medicine, Chinese medicine and Ayurvedic medicine exist in parallel with Western-style modern medicine. The NGOs provided the community midwives' association with the seed fund and helped them with the paperwork necessary to register with the Health Ministry while ensuring that the midwives' association would ultimately gain greater control and autonomy.

This example illustrates that CAP and ABIM are serious about democratising the health services by encouraging the development of a bottom-up and a genuine village-based institution. Some villagers noted that this people-oriented programme was an eye-opener in that it had encouraged them to develop their own alternative approaches to developmental issues and the hope that this programme would eventually take a life of its own.<sup>9</sup>

### **CONCLUSION**

As a developmental state, Malaysia continues to pursue an expansive developmental strategy. More often than not, this commitment has been at odds with the wishes of citizens – especially those who live in the rural areas. Development projects that were given priority by the state had, at times, contributed not only to environmental degradation but also to social displacement. The state's fixation on industrialisation necessitates a tripartite partnership among the state, domestic and foreign capital. This partnership, in turn, has the state privileging large-scale capital-intensive developmental projects and is conducted at the expense of more traditional and small-scale community-centred endeavours. The NGOs surveyed here have been active in propagating

alternative approaches to development that challenges the state's *raison-d-etre*. Whereas most literature on state-led development has paid attention to the state's "embedded-autonomy" in relation to society, our case studies have demonstrated that society is able to organise and challenge the state's official version of development. The NGOs such as ABIM and CAP had encouraged local communities to form self-help groups and also advocated a participatory approach to development. These are ways to counter the negative externalities of state-led development. Put another way, the activities organised by the NGOs in the case studies were geared to ameliorate the excesses of both developmentalism and capitalism on local communities. By encouraging communities to take part in community-centred development, the NGOs are not only empowering them but also building broad-based social capital. Whereas state's action can either create or destroy social capital, state-led development in the Malaysian context had divided communities and destroyed trust – a crucial ingredient in building social capital. The crucial role played by the NGOs in this context is the promotion of the spirit of cooperation that builds trust. Whereas the findings reaffirm the key role played by NGOs in building social capital, it also calls for further research into state-society relations, especially with regard to developmental practices and social capital.

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## **NOTES**

1. Interview with Consumers Association of Penang Deputy President Mr. Mohideen Abdul-Kader on 11 April 2013.
2. Interview with Consumers Association of Penang President Mr. S.M. Idris on 10 April 2013.
3. Interview with Bukit Nenas resident Mr Halim Abdullah on 25 August 2013.
4. The concept of *dakwah* can be translated as "propagation", "missionary activity", and "spreading the message". For an in depth discussion, see Zainah (1987) and Ahmad Fauzi (2002).
5. Interview with Penang ABIM's Committee Member Mr. Azmi Mahmood on 12 July 2013.
6. Ibid.
7. The focus group interviews for ABIM development approach were conducted in ABIM secretariat's office in Jalan Datuk Kumbar, Alor Setar, Kedah. The participants of the programme were present during the interview in January of 2013.

8. These responses were given at a focus group discussion conducted with representatives of the residents in the 28 districts held on 10 May 2013.
9. These responses were given at a focus group discussion conducted with 8 residents who were involved in this programme held on 15 June 2013.

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