Civil Society as “Mushrooming” NGOs?
Western Assistance and the Re-building of the Civic Sphere in Post-communist Romania and Poland

By
Adriana Bunea

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Supervisor: Professor András Bozóki

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ABSTRACT

Focusing on the realities of post-communist Romania and Poland, this thesis inquires one thought-provoking puzzle characterizing the re-building process of post-communist civil societies: the impressive numerical growth of NGOs. The aim of the paper is to address two interrelated questions. First, what is the organizational/structural outcome of this phenomenon of “mushrooming NGOs”? And, second, does foreign financial assistance offer a fully satisfactory causal explanation for this numerical growth?

Employing a comparative perspective and founding its research mainly on a qualitative analysis of official data, reports and secondary sources, the present thesis argues that in both countries the numerical growth of NGOs led to the creation of a similar structuring of the nonprofit sector in terms of types, numerical significance and regional distribution of NGOs. Second, the present study argues that when evaluated from both a quantitative and qualitative perspective, Western financial aid offers only a partial explanation for the development of the NGO sector. In both its theoretical framework and empirical analysis, the thesis indicates several factors explaining why foreign aid does not provide a fully satisfactory explanatory framework for the numerical growth of NGOs, like for example the lack of knowledge on the part of the donor community about local realities, an unequal distribution of funds among NGOs and a fluctuating flux of aid. In its concluding part, the thesis proposes alternative explanatory variables under the heading of guidelines for further research.
# TABLE OF CONTENTS

INTRODUCTION: THE PUZZLE OF POST-COMMUNIST CIVIL SOCIETIES ........................................... 1

CHAPTER 1: POST-COMMUNIST CIVIL SOCIETIES, NGOS AND WESTERN DEMOCRATIZATION EFFORTS: THEORETICAL CONSIDERATIONS ................................................................. 9

1.1. WHAT IS AN “NGO”? A “STRUCTURAL-OPERATIONAL” APPROACH .................................................. 9
1.2. THEORETICAL FRAMEWORK: IN SEARCH FOR EXPLANATORY VARIABLES .............................................. 13
   1.2.1. State and civil society .................................................................................................................. 14
   1.2.2. Foreign assistance and civil society: between pros and cons .............................................................. 17
       1.2.2.1. The Optimists ......................................................................................................................... 18
       1.2.2.2. The Realists ............................................................................................................................. 21
   1.2.3. NGOs and professional interests ................................................................................................... 26
1.3. METHODOLOGY ................................................................................................................................. 29

CHAPTER 2: UNDERSTANDING THE STRUCTURING OF ROMANIAN AND POLISH NGO SECTORS .................. 33

2.1. A COMMON REFERENCE POINT: THE INTERNATIONAL CLASSIFICATION OF THE NONPROFIT ORGANIZATIONS .......................................................................................... 34
2.2. ROMANIAN AND POLISH NGO SECTORS AT FIRST GLANCE ......................................................... 37
2.3. ROMANIA AND POLAND COMPARED ................................................................................................. 41
2.4. NUMBERS UNDER CLOSE SCRUTINY ............................................................................................... 43
2.5. NGOs AND REGIONAL ASPECTS ....................................................................................................... 46
2.6. CONCLUDING REMARKS: TYPES, NUMBERS AND REGIONAL DISTRIBUTION OF NGOs .......... 50

CHAPTER 3: WESTERN FUNDS AND CIVIL SOCIETIES: WHAT’S THE CONNECTION? ......................... 54

3.1. PRELIMINARY REMARKS .................................................................................................................... 54
3.2. WESTERN ASSISTANCE TO EAST-CENTRAL EUROPEAN CIVIL SOCIETIES: WHO, WHAT, HOW? ....... 55
3.3. FOREIGN FINANCIAL ASSISTANCE IN ROMANIA AND POLAND: A QUANTITATIVE EVALUATION .... 58
   3.3.1. România ................................................................................................................................... 59
   3.3.2. Poland ...................................................................................................................................... 61
3.4. WESTERN ASSISTANCE IN POLAND AND ROMANIA: A QUALITATIVE PERSPECTIVE .................... 64
3.5. IN SEARCH FOR A DIRECT CONNECTION ....................................................................................... 68

CONCLUSIONS .................................................................................................................................. 73

BIBLIOGRAPHY ................................................................................................................................. 80
INTRODUCTION: THE PUZZLE OF POST-COMMUNIST CIVIL SOCIETIES

“The rise of the civil society sector may prove to be as significant a development of the late 20th and early 21st centuries as the rise of the nation state was of the late 19th and early 20th centuries.”¹

One can argue that the year of 1989 marked for East-Central European countries not only the beginning of transition to a democratic political system and a market oriented economic framework but also the emergence of what Linz and Stepan called “the celebrity of democratic resistance and transition”,² namely civil societies. Paying close attention to this phenomenon, S. Wojciech Sokolowski underlined one of the salient features of this phenomenon: the fact that in this part of Europe, the creation of civil society was accompanied by “an institutional revival”, consisting of the emergence of “new institutional forms, from private enterprises to political parties, and to nongovernmental civic associations” that “appeared like the proverbial mushrooms after the rain”.³

Within this overall impressive growth of the organizational basis of civil society, the numerical growth of NGOs stands definitely for a thought-provoking paradox for two main reasons. First, because the constantly increasing number of NGOs appeared to be contrasted by low levels of citizens’ participation within their activities. For example, the Romanian Center for Development of NGOs, (ACCES), reported in 1998 the existence of as many as 40,000 NGOs in Romania,⁴ while other authors speak of the foundation of approximately 400

NGOs per month. However, as Howard points out, Romania is characterized by an average score of organizational memberships per person of only 1.14, ranking 4th out of 11 post-communist countries. The story goes much the same for post-communist Poland, where social scientists observed that “the remarkable upsurge in the formation of citizens’ organizations (...) after 1989 is without question one of the most salient outcomes of the transition”. By the end of 1994, the officially registered Polish NGOs reached the number of 48.000. Yet, the CIVICUS Civil Society Index Report for Poland emphasized that one of the salient features of Polish civil society is that “[t]he level of involvement of Poles in non-partisan actions is very low”, while “the membership of organizations is small”.

Second, this puzzle of post-communist civil societies becomes even more interesting once we consider the fact that despite these well-known low levels of citizens’ engagement in NGOs, Western countries considered precisely these NGOs as “the building blocks of civil society”, “as exemplars and vehicles for creating democracy and a civil society”, so that the development and support of NGOs became “a primary focus”. As a consequence, impressive Western financial aid and assistance poured towards the NGO sectors of East-Central European countries, from public, governmental programs or private foundations, in an attempt to foster the development of civil societies through the creation of a “vibrant” organizational basis for it.

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6 1995-1997 World Value Survey, quoted in Marc Morje Howard, Ibid, p. 69. The author emphasizes the difference between the scores of the “newly emerged democracies” and those of the old ones, by mentioning the score values of organizational membership per person for U.S.A (3.59), Sweden (2.62) or Norway (2.48).
Considering all these aspects, three main thought-provoking, interrelated research questions come to the fore. First, given that citizens’ participation within NGOs is low, yet countries benefited from Western assistance for the development of civil societies, what is the structure of the NGO sector that emerged during this “mushrooming” process? Second, how did foreign funds reach Romanian and Polish NGOs? And, last but not least, does this foreign financial aid provide a fully satisfactory explanatory framework for this impressive “baby-boom” of NGOs?

Being well aware of the complexity of factors that contributed to the emergence of such an intricate and multidimensional phenomenon, the present thesis tries to find an answer to these questions in two rather different former communist states of East-Central Europe, namely Romania and Poland. The present thesis argues that following this “mushrooming” phenomenon, one can observe a similar structuring of Romanian and Polish civil societies in terms of main types of NGOs and their numerical significance, despite the fact that the two countries benefited from different amounts and different types of foreign assistance for developing their NGO sector. The present thesis proposes as main explanation for this reality, the fact that Western financial aid did not have the intended impact on the development of NGOs for reasons referring to both the quantity and the quality of this financial help, such as a significant difference between the “mindsets” of donor and recipient communities, an unequal distribution of funds among NGOs, the time span of aid and its fluctuating values.

While paying attention to the voices advocating the crucial role played by foreign assistance for the development of Polish and Romanian civil societies, the present thesis argues that although a superficial, quantitative evaluation of Western assistance might indicate that this aid played a significant role within the emergence and the development of

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the NGO sectors in the two countries, an accurate, clear-cut causal relationship between the mushrooming of NGOs and the presence of foreign funds is very difficult to establish. The present thesis considers that a more in-depth, qualitative analysis of this efforts is needed in order to have a better understanding of the manner in which Western assistance actually helped the articulation of the two NGO sectors.

Therefore, the present thesis inquires first from a comparative perspective the manner in which the Romanian and Polish NGO sectors developed in terms of types, numbers and regional distribution of NGOs. By doing this, the present thesis presents the actual structuring of the two NGO sectors, resulting from the aforementioned “mushrooming” process, while also pointing out the main dimensions of the dependent variable in the two countries. Second, the present thesis evaluates at macro-level both the quantity and the quality of Western financial aid, trying to identify the factors that limited the actual impact of assistance over the development of NGOs. Since foreign assistance offers just a partial explanation for the numerical growth of NGOs, the present thesis mentions within both its literature review and its concluding part other factors that might have played a role in the numerical growth of NGOs, like for example a tax-favorable legal system for NGOs, the availability of state grants and subsidies for the NGO sector, professional interests of different social categories or business interests of some entrepreneurs interested in disguising their profit–doing activities under the label of nonprofit organizations.

All this being said, one further remark must be made with respect to the limits of the present thesis. Well-aware of the complex realities of both post-communist NGO sectors and the issue of Western democratic assistance to East-Central Europe, the present research does not aim for a exhaustively identification of all Western programs channeling money towards Romanian and Polish NGOs. Instead it focuses only on the identification of the main trends of types of assistance and channels used for offering it. Furthermore, the present thesis has as
unit of analysis the macro-level of the NGO sector, being interested in the main trends that could be observed in its development in Romania and Poland during the post-communist period. Attention is paid to individual cases of NGOs or particular funding sources only when this serves as a relevant exemplification of a general statement about an inquired aspect. Last but not least, as the present research tries to have an in-depth understanding of how one independent variable had an impact on the development of the NGO sector, the other possible explanatory factors are only briefly referred to in the theoretical chapter and in the concluding part, with the aim of providing the reader with a broader image of the mechanisms lying behind the mushrooming of NGOs.

Why Romania and Poland?

The focus of this study is on post-communist Romania and Poland for one main reason: the two countries inherited different legacies at the level of civil society organizations dating from their pre-communist and communist period. Yet, both faced the same “associational revolution” during their transition to democracy and both benefited of Western assistance for the development of their NGO sectors. Thus, whereas Poland has a relatively long legacy of a formally established associational sector dating back to the 18th century, Romanian associations autonomous from the state began to develop only in the 19th century, during the “process of systemic modernization and cultural and economic synchronization of Romania with Western Europe” and they were much less significant than the Polish one.\(^{12}\)

Whereas in the Polish case, autonomous associations embodied “the efforts to alleviate poverty, bolster the national spirit and preserved the Polish culture” during the Partition period,\(^{13}\) in Romania they played a rather marginal role.

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Furthermore, during Communism, the two countries faced different paths of associational structures at the societal level. Beginning with the 1970s, significant dissident movements and groups emerged in Poland, whereas in Romania there were only isolated, individual and unsuccessful forms of opposing or denouncing the Communist rule. Moreover, in the Polish case the constant erosion of the welfare state made the government tolerate the existence of some voluntary, independently articulated organizations as far as social assistance services were concerned, so that in 1984 the Polish Communist Party decided to legally allow the creation of foundations.\(^{14}\) Although in Romania the quality of life, living standards and social services were much worse than in Poland, the highly restrictive regime of Nicolae Ceausescu did not permit the emergence of truly independent organizations that could have complemented state failures, any grassroots initiative being in general violently suppressed.

Yet, despite this past difference, after 1989 both countries benefited from the American and European efforts to nourish democratic transition and consolidation, by supporting the development of NGO sectors. Therefore, I find it interesting to see first whether both countries benefited from the same amount of foreign financial aid and if this aid came from the same donor sources. Second, I am also interested to analyze the manner in which my explanatory variable, encountering peculiar features in each country, had an impact on the development of the two NGO sectors.

**Structure of the thesis**

All this considered, the present thesis consists of four main parts. The first clearly establishes the conceptual framework by identifying the working definition of the “NGO” concept, while emphasizing the relevance of this sector within the overall study of post-communist democracies and their relationship with foreign assistance. Light is also shed on

\(^{14}\) Ibid., p. 5.
the understanding of “foreign assistance for democracy and the development of civil societies” in East-Central Europe. This part also contains a critical assessment of the main scholarly contributions inquiring the intricate relationship between foreign assistance, the development of civil societies and the numerical growth of NGOs in the overall frame of East-Central European transitions to democracy. The aim of this theoretical part is to provide the reader with a comprehensive view of the main approaches existing within this field of research, while also identifying the place of the present thesis within this general frame.

The second chapter provides a comprehensive overview of the structuring of the two NGO sectors in terms of the main types of activity NGOs are formally engaged in, in terms of numerical significance as well as geographical distribution along the urban versus rural dimension and the socio-economic regional configuration of the two countries. This part provides recent (2007) data about the types and numbers of NGOs registered within two national datasets provided by Klon/Jawor association in Poland\(^\text{15}\) and the Civil Society Development Foundation in Romania,\(^\text{16}\) in an attempt to analyze the structural and organizational outcome of the observed “mushrooming phenomenon” of NGOs.

The third chapter presents the intricate articulation of the relationship between Western funds and assistance and the development of NGOs within the overall East-Central European region, with a special emphasis on the paradoxes and peculiarities of this relationship in the country-specific circumstances of post-communist Romania and Poland. The second part of this chapter analyzes in-depth the findings of the present research about the actual impact of foreign funds and overall assistance over the development of Romanian and Poland NGO sectors.

Since the present thesis finds that this Western assistance effort is not a sufficient condition for providing a comprehensive and convincing enough explanatory framework for

the impressive numerical growth of NGOs, the last chapter, besides summarizing the main findings, moves further and briefly presents some other potential factors that might have played a significant role in the development of the phenomenon. This part aims to complete the overall complex picture of post-communist NGOs, to remind the reader the limitations of the present study, bringing to the fore some relevant topics for further inquiry and research.
CHAPTER 1: POST-COMMUNIST CIVIL SOCIETIES, NGOs AND WESTERN DEMOCRATIZATION EFFORTS: THEORETICAL CONSIDERATIONS

Attempting to explain the development of NGO sectors in post-communist Romania and Poland from the perspective of foreign financial assistance, the present thesis considers necessary first a critical review of the main scholarly contributions dealing with the factors that might have contributed to the development of the NGO sector in the two countries. Along this theoretical journey a special emphasis is put on a critical assessment of the works inquiring the complex relationship between Western assistance to the newly emerged democracies of East-Central Europe, the development of their targeted civil societies and the linking role played by NGOs between these two aspects.

However, before engaging in this challenging task, I consider necessary some conceptual clarifications with respect to the “non-governmental organizations” term in order to establish the dimensions of the basic unit of analysis depicting my dependent variable. Therefore the first part of this chapter defines the “NGO” concept, whereas the second part consists of a comprehensive literature review of theories about NGOs, democracy and Western assistance in East-Central Europe. On the basis of these theoretical considerations, the third part of the chapter presents the methodology employed along the present research.

1.1. What is an “NGO”? A “structural-operational” approach

“Civil society was originally understood as the various forms of social organization in which people try to solve problems. Civil society could be informal, public events, or associations. Today, international intervention has now created ‘civil society’ as a bureaucratic funding category”. 17

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Being well aware of the elusiveness of the “non-governmental organizations” concept, several clarifications must be made with respect to its working definition in the present study.

First, as William F. Fisher rightfully underlined “there is little agreement about what NGOs are and perhaps even less about what they should be called”, while generalizations about the NGO sector obscure the tremendous diversity found within them”. Being familiar with the already existing acronyms designating civil society organizations, such as CBOs, GROs or POs, Fisher makes a right point by arguing that their denomination should take into account and understand “what happens in specific places and at specific times”. In this respect, Sokolowski argued that when analyzing Polish NGOs, the American terminology of “nonprofit profit organizations” cannot be used to describe Polish realities since this term does not exist in the Polish language and therefore it is never used in relation with these organizations. Moreover, he points out that not even the “non-governmental organizations” formula is accurate when describing Polish associations and foundations since this concept has a “normative intent rather than empirical content”. Instead, he proposed the term “social proximity organization”, considering that this captures better the essence of Polish organizations, namely the importance of social connections and interactions and the significance of community-oriented actions.

However, as Salamon and Anheier convincingly argue, if one pays too much attention to the specific denominations characterizing each country, “efforts to make cross-national comparisons using local definitions […] are destined to be seriously misleading at best”.

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19 CBOs stand for community based organizations, GROs for grass-roots organizations, POs for people’s organizations.
22 Ibid, p. 15.
23 Ibid., p. 19.
Therefore, the present study makes use of what these two authors called a structural-operational definition of the nonprofit sector: it largely denominates non-governmental organizations that “have some regularity to their operations”, that are formally constituted, that are private (i.e. not part of the state apparatus) and not “profit distributing”, meaning that “they are not primarily commercial in purpose and do not distribute profits to a set of directors, stock holders or managers”. Moreover, these organizations are seen as being self-governing, as having their specific rules and norms for internal government being “fundamentally in control of their own affairs”. These organizations are voluntary in the sense that “the public purpose of the organizations is decided by each citizen by deciding to join an organization”, while most of the times they involve a considerable amount of voluntary effort.\footnote{Lester M. Salamon, Wojciech S. Sokolowski, Regina List, \textit{Global Civil Society. An overview.}, The Johns Hopkins Comparative Non Profit Sector Project, Institute for Policy Studies, (Baltimore: Center for Civil Society Studies, 2003), p. 7.}

In my opinion this is a comprehensive yet specific enough working definition of NGOs, which brings to the fore “meaningful sets of organizations that can be compared across countries”.\footnote{Salamon, Anheier, Ibid, 1997, p. 476.} Along my research I pay attention to the peculiarities and specificities characterizing in terms of denomination and legal status the NGOs in the two analyzed countries, in an attempt to accurately capture the differences and similarities between them. Yet, only those NGOs that complied with at least a minimum of the aforementioned formal criteria constitute the focus of my research as only in this manner is my research able to establish accurate comparisons between two countries. Thus, this study takes into account only those organizations that comply with at least the following three requirements of the aforementioned definition: (1) their legal status implies that they formally develop activities on a regular basis; (2) they are not part of the state apparatus and (3) are not profit distributing.
Considering this understanding of the NGO concept, the present study takes into account only those legal entities that are regulated in both countries either as associations or as foundations, since these two types of NGOs fulfill the already mentioned understanding of the NGO concept. Within the Polish framework, associations are broadly defined as “voluntary, self-governing, nonprofit, permanent unions of individuals aimed at fostering active participation in public life, actualizing individual interests and expressing different opinions” and regulated by the “Law on Associations, enacted in 1989 and amended in 1990”.\textsuperscript{27} Furthermore, Polish foundations are widely perceived as entities possessing “legal personality, a non-profit making purpose, and a declaration of aims stated in the founding act”, and “created to fulfill socially and economically useful purposes”.\textsuperscript{28}

Similarly, in Romania, according to the 1924 law, “an association is a convention through which several persons put in common, on a permanent basis, their material contributions, their knowledge and their activities, in order to achieve a goal with no pecuniary or patrimonial benefits.”\textsuperscript{29} Here, the distinction between associations and foundations is marked by the fact that “while an association consists of forming a group of members with a common ideal purpose, the foundation is a one-sided legal act, through which a fund or a patrimony is dedicated to a particular purpose.”\textsuperscript{30} It is worth mentioning that the two Governmental Ordinances regulating the Romanian NGO sector after January 2000 (Ordinance 26/ January 2000 and Ordinance 37/ January 2003) maintained the same definition of both foundations and associations.

Since the aforementioned definition of NGOs considers the not-for-profit dimension of paramount importance, my research does not take into consideration those NGOs labeled within both national-based typologies as “business”, while also excluding “professional

\textsuperscript{27} Ewa Les, Naclez Wygnanski, Ibid., p. 13.
\textsuperscript{28} Ibid., p.14.
\textsuperscript{29} Daniel Săulean, Carmen Epure, Ibid., 1998, p. 10.
\textsuperscript{30} Idem.
associations and trade unions” from its focus of inquiry on the assumption that they represent a special and too complex dimension of civil society that requires a separate analysis that goes beyond the scope of the present thesis. Furthermore, being well-aware of the relevance of “religious NGOs” for the Polish case, the present study does not deal with “religious NGOs” as it considers them as a special category of civil society organizations which has little if any connection with Western democratic assistance *per se*.

All these being said about the working definition of the “NGO” concept, the following lines present an in-depth, critical assessment of the main scholarly contributions dealing with the issue of post-communist NGOs, development of civil societies and the contribution of foreign assistance in both of these processes.

1.2. *Theoretical framework: in search for explanatory variables*

Before actually proceeding to an empirical analysis of the Romanian and Polish NGO sectors in search for the multiple dimensions of the relationship between foreign funds and mushrooming of NGOs, the present thesis considers necessary a brief critical review of the main theoretical approaches to the question of what were the factors that determined or contributed to this phenomenon. This brief overview reveals first and foremost the complexity of the subject inquired and the multiple issues that must be taken into account when searching for those structural or human agency factors that played an essential role in the building up of post-communist Romanian and Polish NGOs. Second, this review emphasizes that the issue of the impact of foreign assistance on the actual development of East-Central European NGO sectors and civil societies stirred up interesting debates, a fact which provides the present research with further incentives to pursue an in-depth analysis of this aspect in the case of Romania and Poland. Thus, a first part discusses the issue of state efforts to support or not the development of the NGO sectors, the second part presents those voices arguing for or against the significant role of foreign financial aid for NGOs, whereas the last part refers to those
interpretations of the development of the NGO sector from the perspective of professional interests of those working within this field of activity.

1.2.1. State and civil society

First, one set of the existing literature dealing with the creation and the development of post-communist civil societies, focuses on what one could call “state efforts” to create an autonomous NGO sector. Briefly put, these contributions pay attention to see whether or not the legal environment encourages the creation of associations and foundations by setting up easy registration procedures and if this environment facilitates NGOs’ activities by providing tax exemptions for nonprofit initiatives or private philanthropy to NGOs. Within the same set of literature there are voices paying attention to the presence or absence of direct state subsidies and grants for NGOs.

Thus, Andrew T. Green’s insightful structural and procedural analysis, *Comparative Development of Post-communist Civil Societies*, tried to capture “the way the state explicitly promotes the development of the civil society”, on the basis of an empirical research having as main goal the measurement of state encouragement for the NGO sector expressed by the “non-profit sector indicator”. The author establishes this indicator by taking into consideration four main elements: (1) the diversity of the organizational sector, (2) the nature of the registration procedures, (3) the existence or the non-existence of favorable tax treatment for the NGOs and (4) political advocacy. His measuring scale goes from 1 to 4, the former indicating a poor state performance of supporting the development of NGOs, while score 4 indicated a high level of state performance. Covering the 1991-1998 time span, this longitudinal study reveals the following realities related with Romanian and Polish post-communist experiences: while Poland stood “among the most supportive states from early

time period”, 32 the overall evaluation of the Romanian institutional features of state’s support for the NGOs, places Romania somewhere at the middle of the hierarchy, with a predominant score 2 for the entire 1991-1997 period, and a score 3 for 1998. 33 Moreover, this study explains Romania’s scores in the following manner: “Romania, on the other hand, has several problematic issues: the registration criteria include ‘good morals’ language, a prior advisory opinion must be obtained from local officials before applying, and there is no appeal against rejection”. 34

Although this study says but very little about the actual nature of governmental efforts done in order to support the development of Polish and Romanian NGOs, its relevance for the present topic is given by two main aspects: first, it establishes a set of criteria upon which the relationship between the state and NGOs can be evaluated and, second, it sheds light on one significant element that exerts a great deal of influence over the way the NGO sector developed in both numerical and typological terms: the legal environment regulating the creation and the activities of NGOs, together with their fiscal treatment.

The importance of the legal environment within the overall discussion about the structuring of the NGO sector is emphasized by its use as a reliable indicator for the way it develops. For example, USAID NGO Sustainability Index makes an explicit evaluation of the legal environment characterizing one country in terms of provision regulating the NGOs’ activity. The same goes for CIVICUS Civil Society Index Country Reports, which evaluates one country’s legal framework by looking at indicators such as “civil society organizations registration procedures”, “the freedom of civil society organizations to criticize the government”, the presence of “tax laws favorable to civil society organizations” and “tax benefits for philanthropy”. 35

32 Ibid., p. 466.
33 Ibid., p. 458.
34 Ibid., p. 459.
35 CIVICUS Civil Society Index Report for Romania, p. 40.
However, those authors focusing on the potential influence of state efforts to encourage the development of the NGO sectors point out another aspect that might influence the numerical growth of NGOs: namely, “the direct material support” granted to NGOs by the state through the intermediary of “local administrations”.\(^{36}\) As Săulean and Epure point out, it is a common practice for NGOs to “request the collaboration [of local officials] in obtaining facilities to enable them to develop their activities”.\(^{37}\) These authors go even further and underline the importance of direct state subsides and grants, by asserting that these might represent in some cases “the only type of financial support that is available on a continuous and certain basis”.\(^{38}\)

All these considered, this set of the literature indicates that one structural factor that influences the emergence and the development of NGOs is the manner in which the state understands to help or to impede these processes, through the use of legal provisions and direct financial assistance. Yet, given the poor economic situation of almost all newly emerging democracies of East-Central Europe, I believe that this latter aspect played a rather modest role during the 1990s, contributing but not being sufficient for an impressive outburst of the organizational life of civil societies. As for the real impact of legal provisions on the development of Romanian and Polish NGOs, one can argue that it is really difficult to evaluate it since it is human agency that plays a significant role in the process of registration and development of activities according to the legal environment: irrespective of the type of provisions regulating the NGO sector, what matters eventually is the determination of human actors to create and run an NGO. From this respect the civic culture characterizing human agents involved within NGO activities might exert an equal influence on the development of the NGO sector.


\(^{37}\) Ibid., p. 16.

\(^{38}\) Ibid., p. 16.
Keeping in mind these potential explanatory variables, the present analysis moves further to the second set of literature which sheds light on what the initial puzzle of the present research have indicated as a potential explanatory variable for the growth of NGOs: foreign financial assistance.

1.2.2. Foreign assistance and civil society: between pros and cons

“Efforts to assist civil society in Eastern Europe have been under way at least a decade, and now is a natural juncture to look at what they have accomplished and how they might be improved”. 39

A critical reading of the main scholarly contributions dealing with the issue of foreign financial assistance as an independent variable explaining mushrooming NGOs in post-communist societies reveals the presence of two main trends. The first one argues for a strong causal relationship between the influx of Western funds in East-Central European countries and the numerical growth of NGOs. While some of these authors see a direct connection between foreign money and the creation of new NGOs, others go further and describe a more complex relationship between foreign money, professional interests and the development of NGOs. Yet, there is also a second part of this literature, arguing that although impressive sums of money were directed towards the newly emerged democracies in an attempt to promote democracy through the creation of independent civil societies, the real impact of these Western assistance efforts to create plural and self-sustainable civil societies was far from the expected outcomes. These voices provide several convincing arguments explaining why Western financial assistance must be assessed with maximum caution as an explanatory variable for the “associational revolution” taking place in the countries of East-Central Europe.

1.2.2.1. The Optimists

Thus, the first part of this set of the literature brings to the fore the comprehensive study of Jan Kubik and Gregorz Ekiert: “Civil Society from Abroad: the Role of Foreign Assistance in the Development of Poland”. Trying to explain the re-emergence of civil society in the countries of Central and Eastern Europe, these authors estimate that for the 1989-1994 period, the West European and American funds that were directed towards the countries from this region, with the explicit aim to assist civil society organizations, went as high as 339 million dollars from the European Community and 450 million dollars from the United States of America.\(^{40}\) Coming either directly from American NGOs or being channeled by the European Community through central or local governmental structures, Western financial aid for NGOs was envisaged as part of broader Western efforts to assure the transition towards and the consolidation of democracy in this part of the world. These authors identified three main types of institutions that were involved within the process of financially assisting post-communist NGOs: (1) international institutions like IMF, World Bank, the EBRD and the PHARE Program; (2) governmental agencies like USAID and (3) “private organizations” such as the Soros Foundations, the Humboldt Foundation or the Ford Foundation.\(^{41}\) When referring to the amount of foreign funds directed to the Polish NGO sector only, the same authors underline that during the 1989-1994 period this constituted approximately 17.6% of the total aid Poland receive as part of the democratic assistance efforts.\(^{42}\)

As for a positive relationship between the presence of foreign funds and the development of Romanian NGO sector, one can find Sandra Pralong’s well-documented and thought-provoking studies and reports. Starting from the belief that in Romania, “much of the civil society is merely the unintended consequence of Western assistance itself and not necessarily

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\(^{40}\) Jan Kubik, Grezgorz Ekiert, Ibid., p. 16.
\(^{41}\) Idem.
\(^{42}\) Ibid., p. 18.
a genuine reflection of Toquevillian democratic dispositions”, this author observes that during the first decade of post-communism Western money and logistical assistance were the main sources of development, and that the domestic financial aid for this particular field of activity emerged only after the year of 2000. According to Pralong, the Romanian NGO sector owes its very emergence to Western financial aid and assistance because whereas Hungary and Poland “already had a timid nongovernmental sector under communism”, Romania experienced no such organizational structures before 1989, so that one could observe the emergence of NGOs only once Western funding and assistance started to enter the country in the beginning of the 1990s. A similar point was emphasized by Anna Vari who underlined in her insightful comparative study, “Civil Society and Public Participation: Recent Trends in Central and Eastern Europe”, that: “In Romania the main sources of funding are international agencies (UNICEF, UNESCO) and private foreign donors. Only a small proportion of funds can, or has been raised inside the country”. Pralong’s study goes even further in the analysis of foreign financial aid and identifies first some trends in the flux of Western money, and second, several important side effects of this assistance on the overall legitimacy and professional structure of the NGO sector. Thus, the author brings into discussion the importance of the “financial auspices” under which the Romanian NGO sector emerged and its long term consequences. She points out two main consequences of this type of assistance: first, a lack of legitimacy in front of both state and citizens, which largely perceived NGOs as foreign-implemented organizations reflecting very little local context. Second, she speaks about the so-called “professionalization” of the NGOs, describing thus the emergence of a new professional segment of “private civil servants” or

45 Sandra Pralong, Ibid., p. 238.
“NGO bureaucrats” for whom NGOs equaled more with a job opportunity and less with the work in the community interest.\textsuperscript{47} For these reasons, the author calls Western financial assistance a “mixed blessing”, producing both positive and negative effects.\textsuperscript{48}

A similar point about the possible consequences of Western aid over the legitimacy of NGOs was made by Carmen Epure \textit{et al}. who underlined that since NGO emerged more as a result of Western initiatives to develop civil society, the newly born Romanian NGOs lacked the legitimacy that was usually associated with grassroots actions and provided by collective initiatives of citizens. As the authors point out, this fact could be easily observed for example in the opinion polls revealing that in 2000 only 26% of Romanians trusted NGOs.\textsuperscript{49} As these authors indicate, the impressive presence of Western funds created a situation in which foreign donors decided the goals and priorities of local NGOs in accordance with the aspirations of the civil society existing in the donor countries, being less an expression of local communities’ needs. As shown by several interviews conducted by the authors with NGOs managers, projects were sometimes done so as to capture Western funds and not to solve local issues, following the logic of “first find the funds, and then seek the need to be fulfilled”.\textsuperscript{50}

All these considered, the main argument used by those voices arguing for a strong causal relationship between the development of East-Central European NGOs and the presence of foreign aid, revolves around the sums of money that were being transferred to the region under the label of “civil society assistance”. However, as the empirical findings of the present thesis prove, any accurate assessment of the total amount of foreign funds is prevented by the lack of well-kept, more or less systematized, records of the financial transactions.

\textsuperscript{50} Idem.
Moreover, Western aid consisted not only in financial but also in technical aid, a fact which further complicates the issue of the impact of foreign aid. However, what draws one’s attention in the aforementioned contributions is the fact that the widespread lack of legitimacy of Romanian NGOs is considered as a measure of Western involvement in their creation and development. According to this logic, the more NGOs benefited from foreign help, the less legitimacy they enjoyed and the less trusted they were by citizens and the state.

1.2.2.2. The Realists

However, besides the aforementioned optimist perspectives advocating for a strong relationship between foreign funds and the development of NGOs, there are also voices expressing great reluctance towards the idea of considering NGOs as an expression of foreign assistance only. The basic argument of this set of literature claims that all across the East-European region, the impact of Western assistance over the development of civil societies and their NGO sector was rather limited due to a number of factors like the incompatibility between Western ideals and models of civil society and the political and cultural realities of each country, together with the inadequacy of the amount of money and the manner in which they were channeled within democratic assistance programs. The basic premise of all these critical voices is that Western assistance for the development of the NGO sectors should be judged and evaluated within the overall framework of democratization efforts, since Western donors considered NGOs as the building blocks for the consolidation of the new democracies.51 These critical voices also challenge the myth of what Steven Sampson rightly pointed out as being one of the “illusions” of Western democratic assistance: “that the number of foreign funded NGO organizations is some kind of index of democracy, and that the more NGOs there are means that there is more democracy”.52

52 Steven Sampson, Ibid., p.10.
Thus, one of the most comprehensive critical analyses of the impact of foreign “democratic assistance” was brought to the fore by Kevin Quigley. Staring from the belief that “foreign aid produced only limited results on the development of civil societies”, this author provides the reader with five main reasons justifying his claim. The first reason argues that, within the entire “democracy assistance” effort, only a modest amount of money, (no more than 1%) was actually channeled to civil society development, while the second reason refers to the short time span for which this financial aid was provided. In this respect, Quigley makes a relevant point by referring to the time civil society needs in order to develop a healthy and vibrant organizational basis: he thus points out that while “civil society takes at least one generation to build, programs operating a mere 5 or 6 years were unlikely to significantly affect civil society or democracy”. Furthermore, besides these modest values of the amounts of money given, the author also speaks about an unequal distribution of funds, asserting that actually “the bulk of the region’s NGOs did not benefit directly or substantially from foreign assistance”.

Moving further with his analysis, Quigley mentions a fourth aspect influencing the impact of foreign assistance: donors changed very easily their opinions about issues such as who should be their local partners, the degree of bureaucratization of the aid programs, as well as about their most preferred targets to democratize. For example, initially, Americans decided to focus in their democratization efforts on the reform of the legislative and judicial systems, developing therefore more advocacy oriented NGOs, while neglecting the service-providing ones. Only after mid-1990s they decided to pay equal attention to this latter category as well, although the East-Central European societies were in an obvious need for assistance for developing their health care and social services systems. Similarly, with

54 Ibid., p. 191.
55 Ibid., p. 205.
56 Ibid., p. 198.
respect to the degree of accessibility of foreign funds, while U.S.AID programs imposed a higher level of bureaucratic restrictions on granting funds to NGOs, the Democracy Network program was much more accessible.\textsuperscript{57}

The last and in my opinion the most important aspect emphasized by Quigley as exerting a significant limitation on the impact of Western assistance on the development of East-Central European civil societies was the difference between the “mindsets” characterizing on one hand the donor community, and on the other hand that of the recipient of aid.\textsuperscript{58} He underlines the fact that the relatively low impact of foreign programs is to be explained by the failure of foreign efforts to adjust Western programs to the specific regional and local realities encountered in each of the assisted countries. In order to support this argument, Quigley gives one simple yet full of significance example of American “technical advisers” working for these programs and possessing only a limited amount of knowledge about the peculiarities of the legal systems characterizing East-Central European states.\textsuperscript{59} He thus suggests that the export and implementation of Western models to Eastern realities was not done in the most appropriate way, since little if any attention at all was paid to country particularities translated into specific political and civic cultures, different institutional settings as well as different historical legacies.

Employing a mixture of a quantitative and qualitative evaluation of the impact of foreign funds and assistance, Quigley provides thus a well-argued critique of the presupposed positive impact Western efforts to democratize and develop civil societies in the region was intended to have.

Similarly, Marina Ottaway and Thomas Carothers provide a more in-depth qualitative assessment of this relationship. Trying to “review the impact” of foreign funds on the

\textsuperscript{57} Ibid., p. 201.
\textsuperscript{58} Ibid., p. 196.
\textsuperscript{59} Ibid., p. 199.
development of civil societies from the perspective of democratization efforts, these authors argue that when evaluated from a qualitative point of view, the nature of the NGO sectors created by foreign assistance in Central and Eastern Europe is far from a self-sustainable and independent organizational sector. While admitting that “funding from donor governments and foundations in the past ten years has created and kept alive thousands of NGOs in the assisted countries”, Western efforts gave birth in fact to “NGOs that were highly dependent on donor support” with very few chances of actual self-sustainability once the Western help is gone. From this perspective, the Western efforts to develop civil societies seem to have been only partially successful since they developed the structures yet not the internal mechanisms needed for a healthy, independent, self-reproducing organizational basis for them. Therefore, although some might argue that from a strictly numerical point of view this “aid has […] helped along or even spurred NGO booms in numerous transitional countries”, if one explores the quality of the NGO sectors created, one can conclude that the Western efforts have failed in creating NGOs sensitive to local context, that work in and for the community.

From this perspective, Larry Diamond’s legitimate question perfectly describes the state of East-Central European civil societies: “to what extent are today’s nongovernmental organizations in less developed countries self-generating, given that they are so heavily reliant on support from abroad?”

Last but not least, focusing mainly on post-communist Poland and Hungary, Janine Wedel questioned the impact of foreign assistance on the overall development of NGOs by emphasizing that only a privileged class of NGOs actually benefited from this aid, while underlining that “the focus [of Western donors] has tended to restrict funding to fairly narrow

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61 Ibid., p. 298.
62 Ibid., p. 300.
63 Ibid., p. 309.
defined groups, typically of intellectual elites concentrated in capital cities."\textsuperscript{65} The main argument for which this author advocates a very critical approach towards the impact of Western assistance is given by the fact that, since donors had only a limited amount of knowledge about local circumstances, they proved to be "profoundly ill equipped" to make choices about who are "the appropriate grantees".\textsuperscript{66} Thus, only a small group of people actually benefited from Western assistance, since they possessed not only the skills and knowledge about how to use them, but they also developed the necessary interpersonal connections and networks that offer them direct access to foreign funders. From this perspective, the bulk of NGOs are far from being the primary beneficiaries of foreign financial assistance.

All these being said about the relationship between foreign funds and the creation of NGOs sectors, it appears that besides the initial observed puzzle of civil societies characterized by impressive numbers of NGOs, low levels of citizens participation in NGOs, and the significant presence of foreign funds aimed to promote NGOs, the literature brings to the fore an additional puzzle: that of the debate revolving around the real impact of Western financial assistance on the development of NGOs. While some describe optimist scenarios, suggesting that mushrooming NGOs are the consequence of Western efforts to develop civil societies, others advocate for a critical and highly cautious approach on this issue, arguing that this Western aid had only a limited impact.

Keeping in mind this significant debate, the present study considers that one further aspect must be account for in my search for possible explanatory variables for the substantial numerical increase of NGOs: the influence of professional interests of certain professional segments in developing new job opportunities.

\textsuperscript{66} Janine Wedel, Ibid., p. 86.
1.2.3. NGOs and professional interests

One further aspect that should be taken into account as a potential explanatory variable for the growth of NGOs comes to the fore once these NGOs are perceived not only as organizations of civil society but also as new employment structures in transition economies. From this perspective, the numerical growth of NGOs must be judged from the perspective of what Thomas Carothers identified as peculiarity of post-communist NGOs: they represent “attractive employment opportunities […] for members of educated elites displaced by political change as well as by economic crisis and restructuring” 67. The main argument of this set of literature is that NGOs mushroomed in some cases because they were largely perceived as an attractive job market in itself (as shown by the Romanian case) or as an opportunity to develop already acquired professional skills in fields such as health care or social services under the umbrella of nonprofit activities (as pointed out by the Polish case).

In this respect, I believe that Sandra Pralong’s argument about the so-called process of “professionalization” of the NGOs in post-communist Romania deserves a closer look. Her above-mentioned insightful study of the Romanian NGOs revealed that the backbone of the Romanian civil society was represented for more than a decade by “formal NGOs, staffed by salaried workers, engaged in the management of structured programs”. 68 The same author emphasizes that there was an obvious tendency for this sector to become a labor market in its own right. As a result, in 1995 as much as 62% of the Romanian NGOs were employing salaried work, whereas only less than 16% of them worked with volunteers. 69 The author rightfully argues that the influx of Western funds created attractive job opportunities in the NGO sector as these jobs were better paid than in the public sector, required fewer qualifications and were usually associated with frequent training trips abroad. Thus, Pralong underlines that the Western financial assistance led also to the creation of a group of NGO

67 Marina Ottaway, Thomas Carothers, Ibid., p. 299.
69 Ibid., p. 235.
professionals, acting mainly as “private civil servants”, as bureaucrats of the NGO sector and less as representatives of the grassroots needs or initiatives. The author goes further with her argument and claims that these “NGO professionals” lost little by little contact with the real civic community, becoming instead not representatives of civil society but rather an interest group *per se*. At this point of the argument, Pralong’s remark concerning the vicious circle between Western financial assistance and professional NGOs representatives captures the best the essence of this relationship: the author observed that “the more local professional NGOs claim to represent civil society, the more empowered they are by Western donors and the more actually divorced they become from local civil society”.70 Functioning more like business oriented NGOs than like self-organized, voluntary organizations, these professional NGOs exert little if any influence on the creation of that “social capital” needed in order to foster the emergence of grassroots based, horizontal civic initiatives. They served more as agents of “social leapfrogging”, 71 by assuring the mechanisms through which Western democratic ideas and civic models were imported in the Romanian social setting at a moment when this indigenous framework was not ready yet to generate them on a domestic basis. Yet, in order to represent long-lasting solutions for Romanian political and social realities these imported Western practices and know-hows should have been either internalized by the indigenous actors engaged in the civil society arena, or rather adapted to local circumstances and needs, becoming thus an expression of local needs. Either way, this phenomenon presumes a relatively long time period and a large amount of democratic exercise of civic activism and work for the public rather than private benefit.

A similar argument linking the development of NGOs with the presence of a particular set of professional interests was brought to the fore by Wójciech Sokolowski, who argued that the mushrooming of Polish NGOs should also be considered from the perspective of the

71 Sandra Pralong, “NGOs and the development of Civil Society” in Ibid.,p. 239.
efforts of a “selected group of Polish service professionals” to create “nonprofit service delivery organizations” right after 1989.\textsuperscript{72} Searching to use their professional skills within the new economic framework of post-communist Poland, most of these professionals decided to engage within the provision of social services in the field of health care protection and social assistance under the organizational framework of nonprofit organizations. Therefore, the numerical development of NGOs was also influenced by the professional interests of certain social segments that were trying to use their professional skills through the intermediary of service providing NGOs.

All these considered, a brief overview of the main contributions to the issue of factors that might have played a role in the creation, development and therefore numerical growth of NGOs in the two analyzed countries reveals that the most hotly debated question is that of the actual impact of foreign financial aid and technical assistance on the growth of the NGO sector. Whereas a first part of the literature indicates that the legal environment in which NGOs develop exerts a certain influence on their potential to grow, while the presence or absence of state grants and subsidies also has an impact on how this sector develops, a second set of literature explained the significant growth of NGOs from the perspective of the professional opportunities created by the very development of this sector of civil society.

While keeping in mind all these theoretical considerations, the present study focuses on what the aforementioned literature review indicated as being one of the most highly debated issues when discussing the potential causes of mushrooming NGOs: the presence of foreign funds and assistance. As that part of the literature arguing for a direct and positive causal relationship between the presence of foreign money and the emergence of NGOs provide generally neither a strong theoretical argumentation nor a sound empirical basis for

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their main claims, the present study decided to take into account those voices advocating for a critical and highly cautious re-assessment of what might seem an oversimplification of the complex realities of NGO sectors: putting too much emphasis on the impact Western funds had over the mushrooming of NGOs. Therefore, the present thesis places itself within the “realists’ camp” of interpretations of the relationship between Western assistance and developing post-communist NGO sectors.

1.3. Methodology

“There are relatively few detailed studies of what is happening in particular places or within specific organizations, few analyses of the impact of NGO practices on relations to power among individuals, communities, and the state, and little attention to the discourse within which NGOs are represented as the solution to problems of welfare service delivery, development and democratization.”

Aiming to explain the intricate mechanisms lying behind the mushrooming of NGOs in both post-communist Romania and Poland, the present MA thesis follows several lines of research, along which case studies and cross-country comparisons are equally employed.

First, the present research establishes a clear-cut typology of the NGOs operating in each country, while also identifying the most numerically significant types of NGOs. Using the classification of NGOs put forward by Lester Salamon and Helmut Anheier under the label of *International Classification of Nonprofit Organizations*, the present thesis re-assesses the categories of Romanian and Polish NGOs as provided within two electronic datasets of Klon/Jawor organizations and the Foundation for the Development of Civil Society. The aim of this classification is twofold: first to establish the basic dimensions of the basic unit of my analysis, namely the Romanian and Polish NGO sectors in terms of types and numbers of organizations active within each sector. Second, the aim of this classification is to permit the

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present research to pursue a cross-country comparison between the two NGO sectors in terms of their structuring. I consider this as a necessary step in the present research mainly because the aforementioned literature indicated that foreign donors targeted the development of specific fields of NGO activity, so that I find it very interesting to see whether or not those types of NGOs targeted by the foreign assistance are also the most numerically significant ones. Of course, along this evaluation I pay attention to what I like to call “a substantive significance” of NGOs as translated mainly in the social impact different types of NGOs have over the political and socio-economic realities of post-communist Romania and Poland.

The main technique of research employed within this part is the quantitative analysis of primary data (mainly electronic databases) and qualitative analysis of primary and secondary sources that provide information about the overall structuring of the Romanian and Polish NGO sectors.

Second, the present thesis engages in a macro-level analysis of the main trends and salient features characterizing Western assistance to East-Central European civil societies and their NGO sectors, while comparatively evaluating the Romanian and Polish experiences in terms of private versus public aid programs, financial versus technical assistance. The main technique of research is a critical, comparative reading of data coming from secondary sources.

Last but not least, the thesis inquires the relationship between foreign funds and the establishment and development of the NGO sectors in the two countries by establishing the ratio of these funds within the overall funding resources of Polish and Romanian nonprofit sectors. This is done by critically assessing existing reports and official data about the influx of this type of financial assistance. Since there are no well kept financial records about the total amount of funds that have been poured into Romania and Poland in the last 17 years, the present study decided to look first at the ratio of foreign funding within the entire revenue
sources of Romanian and Polish NGO sectors. In this manner the present study is able to approximate how much of their existence and activity these NGOs owe to foreign financial efforts. As the present research did not succeed in finding complete datasets from the same time span for both countries, I saw myself forced to use in the Romanian case a 1998 financial report about the state of the NGO sector in 1995, and some brief, additional information about its evolution towards the end of the 1990s. As for Poland, I used the results of a country research done by the prestigious Klon/Jawor association on the development of the NGO sector for the year of 2003.

This part of the present research consists mainly in a critical reading of primary data offered in a comprehensive manner by relevant country reports such as the “NGOs in Poland- Basic facts” (done by Klon/Jawor Association) or by studies focusing on the development of the Romanian NGO sector and gathered by the Romanian Foundation for the Development of Civil Society (FDSC) such as: (1) Changes and Trends in the Development of the Romanian nonprofit sector; (2) Corporate Giving; (3) Review of Donors Support for the NGO sector in Romania; (4) Review of the Romanian NGO sector.74

All these considered, my research employs a combination of quantitative and qualitative methods of inquiry. I will consider a quantitative analysis of the relevance of foreign funds within the revenue structure of Romanian and Polish NGOs. Second, I pursue a qualitative analysis of both primary sources (state official statements and reports dealing with the development of the NGO sector, country reports of international organizations about the inquired topic, NGO reports about the development of the non-governmental sector) and secondary sources, like books and scholarly articles that already dealt with some aspects of the inquired subject.

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74 Made available by the International Center for Not-For-Profit Law (www.icnl.org/knowledge/library/showrecords.php?country=Romania).
The two basic and interdependent strategies of comparative political research, the case study and the cross-national analysis, are equally employed.\textsuperscript{75} The research follows a “systemic approach” as well,\textsuperscript{76} making use of common definitions of the units and entities to be analyzed and a common classification system so as to differentiate among different types of NGOs and to establish accurate cross-country comparisons.

In short, in order to answer the research question of the present thesis and to demonstrate the already stated hypothesis, my study employs what Alan Bryman called “secondary analysis of data collected by other researchers” and “secondary analysis of official statistics”,\textsuperscript{77} trying at the same time to bring the fore original and new interpretations of the already existing theories and official data, in an attempt to investigate the essential factors that contributed to the mushrooming of the Romanian and Polish NGOs during their first decade and a half of democratic rule.

\textsuperscript{76} Ibid., p. 21.
CHAPTER 2: UNDERSTANDING THE STRUCTURING OF ROMANIAN AND POLISH NGO SECTORS

Before analyzing the growth of Romanian and Polish NGO sectors from the perspective of its determining factors, the present thesis considers necessary first a clear assessment of the main organizational realities created along the aforementioned phenomenon of “mushrooming NGOs”. Therefore, the present chapter comparatively presents on the basis of two national datasets the main dimensions of the two NGO sectors in terms of types and numbers of organizations, as well as their geographical distribution. The analysis employs data for the year 2007 as the present thesis wants to inquire the latest organizational and structural outcomes of the observed numerical growth of NGOs. The main aim of this analysis is to establish whether Romanian and Polish civil societies developed similar types of NGOs and whether they present similar patterns in terms of their numerical and substantive significance. This step in my research is also justified by the need to observe whether those fields of NGO activity targeted and fuelled by foreign funds are also the most numerically and substantively significant ones, identifying thus an indicator of the impact of foreign financial aid on the growth of the NGO sectors of the two countries.

With this aim in mind, the first part consists of a brief yet comprehensive presentation of the typology of NGOs put forward by Salamon and Anheier under the label of International Classification of Nonprofit Organizations (ICNPO), in an attempt to offer an international, cross-cultural reference point allowing for cross-country comparative analysis of the NGO sector. For each considered category of NGOs, the present study mentions the corresponding definition as provided by these two authors in their path-breaking study about the global non-profit sector.

Second, this part presents the types of NGOs identified within two electronic databases by two prominent NGOs monitoring the development of the NGO sector: the Foundation for the

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78 Lester Salamon, Helmut Anheier, Ibid., 1997, p. 82.
Development of Civil Society in Romania, (FDSC), and KLON/JAWOR in Poland. While presenting first the categories each database employed, this part ends by reassessing these categories from the perspective of the aforementioned International Classification of Nonprofit Organizations (ICNPO). The rationale lying behind this reassessment is the need to employ a common reference point for types of NGOs that would allow an accurate quantitative and qualitative comparison between the two NGO sectors.

Third, this chapter refers to the relationship between the numerical significance of certain types of NGOs and their substantive relevance. On the basis of several reports evaluating the two NGO sectors, this part argues that in Romania those types of NGO having the most significant societal or policy impact are not identical with the most numerically significant NGOs. The argument goes exactly the reverse way when it comes to Polish NGOs, where numerical and substantive significance of NGOs overlaps. As the following lines will show, this represents an interesting aspect when assessing the relationship between the “numerical” and “substantively” significant NGOs.

2.1. A common reference point: The International Classification of the Nonprofit Organizations

Focusing on the “main type of activity” an NGO is formally engaged in, the International Classification of the Nonprofit Organizations identifies the following categories of NGOs: (1) culture and recreation NGOs; (2) education and research NGOs, broadly defined as “organizations and activities administering, providing, promoting, conducting, supporting and servicing education and research”;

(3) health NGOs, defined as “organizations that engage in health-related activities, providing health care, both general and specialized services, administration of health care services and health support services”;

(4) social services

81 Lester Salamon, Helmut Anheier, Ibid., 1997, p. 82.
82 Ibid., p. 83.
providing NGOs, referring to “organizations and institutions providing human and social services to a community or a target population”; (5) environment NGOs, denominating “organizations promoting and providing services in environmental conservation, pollution control and prevention, environmental education and health, and animal protection”; (6) development and housing NGOs that promote “programs” and “provide services to help communities and the economic and social well-being of society”; (7) law, advocacy and politics NGOs “that work to protect and promote civil and other rights, or advocate the social and political interests of general or special constituencies, offer legal services and promote public safety”; (8) NGOs developing international activities; (9) religion NGOs, understood as “organizations promoting religious beliefs and administering religious services and rituals” and that include “churches, mosques, synagogues, temples, shrines, seminaries, monasteries and similar religious institutions in addition to related associations and auxiliaries of such organizations”; (10) business and professional associations, “unions that promote, regulate and safeguard business, professional and labor interests”.

Since it is my firm belief that in the two post-communist countries examined, business and professional associations represent an interesting case study more for the analysis of the labor movement within civil society than for the NGO sector per se, the present study rules out from its analysis this category of non-governmental organizations. One further reason justifying this decision is given by the very fact that this type of organizations is regulated by a different legal framework than regular foundations and associations that constitute the hardcore of the NGO sector in the two countries. For example, in Poland, “business and professional organizations operate under (…): the Law on Socio-Professional Organization of

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83 Ibid., p. 84.
84 Ibid., p. 85.
85 Ibid., p. 86.
86 Ibid., p. 87.
87 Ibid., p. 89.
88 Ibid., p. 90.
farmers”, the Law on Professional Self-Government on Selected Economic Entities”. Similarly, in Romania, Săulean and Epure underlined the fact that professional associations and labor unions are regulated by “labor legislation and (…) collective work contracts”.

Furthermore, the “religion” related NGOs are not tackled within the present thesis as constituents of the NGO sector. Although the present research is well aware that these entities were also recipients of foreign funds (coming mainly from foreign, private foundations) and fulfill the aforementioned criteria of the NGO concept, and have a particular importance for Poland, this thesis decided for a clear cut division between the laic and the religious forms of organizations existing within civil society. The main reason justifying this decision is the belief that, in the case of religious organizations, the articulation of the relationship between the donor and the recipient communities follow a different logic and takes place through different mechanisms than in the case of laic organizations.

Therefore, the present study takes into account only those legal entities that are regulated in both countries either as associations or as foundations, since these two types of NGOs fulfill the already mentioned understanding of the NGO concept employed by the present thesis.

Last but not least, one further common aspect must be emphasized with respect to the structuring of the NGO sectors in terms of their main actors: both countries are characterized by the existence of so-called “umbrella organizations”, grouping several NGOs active within the same field of activity. For example, the authors of the CIVICUS Civil Society Index Report for Romania discovered during their interviews that “25% of the respondent organizations declared that they are affiliated to national federations”, while also mentioning that in June 2005 there could be identified 116 such “concerting structures” within the NGO

89 Ewa Les, Nalecz Wygnanski, Ibid., p. 15.
91 See the section on « Conceptual framework ».
Examples of such organizational structures are “[t]he Federation of NGOs Active in Child Protection (FONCP), ProChild Federation, National Union of People Affected by HIV/AIDS Organizations (UNOPA), The Romanian Environmental Partnership Foundation and Civil Society Development Foundation”. Similarly, The CIVICUS Civil Society Index Report for Poland indicated that in 2004, “36% of the organizations belonged to different kinds of branch, regional and national federations, agreements and unions”.

While being aware of their existence, the present thesis does not focus on these “umbrella organizations”, as it is only interested in explaining the mushrooming of what can be identified in both post-communist Romania and Poland as “foundations” and “associations”, as only these two types of civil society organizations fulfill the conditions of a non-governmental organization as put forward by the working definition of NGOs of the present research.

### 2.2. Romanian and Polish NGO sectors at first glance

All these conceptual and methodological issues established, the following lines present first what the database of the Romanian Foundation for the Development of Civil Society (FDSC) registered as existing types of NGOs in Romania in 2007, while the second part focuses on the typological structuring of the Polish NGO sector. The main dimension on the basis of which this classification was done was the NGO’s declared “main type of activity” when registering in the two datasets.

Thus, for the year 2007, the Developmental Gateway program of FDSC identifies the following types of Romanian NGOs, presented here in the decreasing order of their numerical significance:

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94 CIVICUS, Civil Society Index For Poland, p. 30.
<table>
<thead>
<tr>
<th>Type of activity</th>
<th>Number of NGOs</th>
<th>Percentage of the overall number of NGOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culture</td>
<td>2868</td>
<td>17.4%</td>
</tr>
<tr>
<td>Education</td>
<td>2562</td>
<td>15.6%</td>
</tr>
<tr>
<td>Social service</td>
<td>2461</td>
<td>15%</td>
</tr>
<tr>
<td>International</td>
<td>1720</td>
<td>10.5%</td>
</tr>
<tr>
<td>Health</td>
<td>1416</td>
<td>8.6%</td>
</tr>
<tr>
<td>Rights</td>
<td>1314</td>
<td>8%</td>
</tr>
<tr>
<td>Development</td>
<td>1162</td>
<td>7%</td>
</tr>
<tr>
<td>Ecology</td>
<td>960</td>
<td>5.8%</td>
</tr>
<tr>
<td>Philanthropy</td>
<td>781</td>
<td>4.7%</td>
</tr>
<tr>
<td>Business</td>
<td>607</td>
<td>3.7%</td>
</tr>
<tr>
<td>Religion</td>
<td>545</td>
<td>3.3%</td>
</tr>
</tbody>
</table>

Table 1: Types and numbers of NGOs in Romania in 2007, according to the Romanian Foundation for the Development of Civil Society classification.

Critically assessing this categorization of the Romanian NGO sector, one can observe that by and large this typology employs the same categories as those put forward by Salamon and Anheier, with two main exceptions: the “law, advocacy and politics class” and the “environment class”. In the Romanian typology these two are denominated with the terms “Rights” and “Ecology”. However, for the sake of establishing an accurate comparative assessment of the Romanian and Polish NGO sectors, the present study considers that Romanian NGOs dealing with “Rights” can be taken into account as expressing by and large the “law, advocacy and politics class” of NGOs, whereas the “ecology” Romanian NGOs can definitely be referred to as “environmental NGOs.”

A brief look at the structuring of the Romanian NGO sector during the mid-1990s reveals that no significant change took place in terms of the numerical significance of different types of NGOs during the entire post-communist period. Thus, the report on the NGO sector of the World Bank’s Resident Mission in Romania, identified for the year of 1996 the following types of NGOs and their correspondent numerical significance, expressed as percentage of the total number of NGOs:95

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Table 2: Romanian NGOs: Types and numerical significance expressed in percentages for the year 1996.

<table>
<thead>
<tr>
<th>Main type of activity</th>
<th>Percentage from the overall number of NGOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social services</td>
<td>18%</td>
</tr>
<tr>
<td>Education and research</td>
<td>14%</td>
</tr>
<tr>
<td>Culture/Arts</td>
<td>14%</td>
</tr>
<tr>
<td>International cooperation</td>
<td>11%</td>
</tr>
<tr>
<td>Health protection</td>
<td>10%</td>
</tr>
<tr>
<td>Human/Civic rights</td>
<td>10%</td>
</tr>
<tr>
<td>Social and economic development</td>
<td>7%</td>
</tr>
<tr>
<td>Environment</td>
<td>7%</td>
</tr>
<tr>
<td>Charity</td>
<td>3%</td>
</tr>
<tr>
<td>Religion</td>
<td>2%</td>
</tr>
<tr>
<td>Others</td>
<td>1%</td>
</tr>
</tbody>
</table>

Comparing this structuring with the one for the year 2007, one can observe that with one single exception, the 1996 findings present a similar numerical structuring of the NGO sector. The only difference between the two hierarchies of the Romanian NGO sector is that in 1996, social services NGOs were slightly more significant from a numerical point of view than the ones dealing with culture and arts as their main type of activity. Although the report of the World Bank and my own research might have not used the same database and information setting about the NGO sector, I find it very interesting that two researches conducted in two different ways and during two different time spans found a similar structuring of the Romanian NGO sector. Moreover, since both typology and numerical based hierarchies found a very similar structuring of the Romanian NGO sector, one can assert that there was no noticeable change in the numerical significance of each type of NGOs along the years, with the single exception of NGOs dealing with culture and recreation activities, that appear to have increased in numerical importance over the years.
As for Poland, the KLON/JAWOR database brings to the fore the following 13 categories of Polish NGOs for the year 2007:\textsuperscript{96}

<table>
<thead>
<tr>
<th>Type of activity</th>
<th>Number of NGOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culture and arts</td>
<td>7,903</td>
</tr>
<tr>
<td>Sports, recreation, tourism, hobby</td>
<td>10,729</td>
</tr>
<tr>
<td>Education and upbringing</td>
<td>8,397</td>
</tr>
<tr>
<td>Research</td>
<td>1,645</td>
</tr>
<tr>
<td>Health protection</td>
<td>7,568</td>
</tr>
<tr>
<td>Social services</td>
<td>12,943</td>
</tr>
<tr>
<td>Environment</td>
<td>3,393</td>
</tr>
<tr>
<td>Community social and economic development</td>
<td>7,078</td>
</tr>
<tr>
<td>Law, advocacy and politics</td>
<td>3,638</td>
</tr>
<tr>
<td>Philanthropic intermediaries and support for organizations and other civic initiatives</td>
<td>2,070</td>
</tr>
<tr>
<td>Religion</td>
<td>780</td>
</tr>
<tr>
<td>Professional associations and unions</td>
<td>4,575</td>
</tr>
<tr>
<td>Not elsewhere classified</td>
<td>177</td>
</tr>
</tbody>
</table>

Table 3: Types and number of Polish NGOs for the year 2007, according to the classification of Klon/Jawor Association’s database.

Considering these national-based types, one can notice that the Polish typology approximates quite well the ICNPO one, listing the same types of NGOs. However, one can observe that the Polish classification distinguishes between “Culture and arts” NGOs and “sports, recreation, tourism and hobby” as well as between education and research, whereas the ICNPO puts the first two categories and the last two into only two different categories. Therefore, when assessing the numerical significance of these two categories, the present study merges into the same category NGOs dealing with culture, arts, sports, recreation, etc, while also considering “education and upbringing” as well as “research” as one category only.

Thus, a decreasing ordering of these categories in numerical terms is as follows:

\textsuperscript{96} Data available at \url{www.ngo.pl} , (Accessed 10.04.2007).
<table>
<thead>
<tr>
<th>Type of activity</th>
<th>Number of NGOs</th>
<th>Percentage from the total number of NGOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culture and recreation</td>
<td>18,632</td>
<td>26%</td>
</tr>
<tr>
<td>Social services</td>
<td>12,943</td>
<td>18%</td>
</tr>
<tr>
<td>Education and research</td>
<td>10,042</td>
<td>14%</td>
</tr>
<tr>
<td>Health protection</td>
<td>7,568</td>
<td>10.7%</td>
</tr>
<tr>
<td>Socio-economic development</td>
<td>7,078</td>
<td>10%</td>
</tr>
<tr>
<td>International activities</td>
<td>4,446</td>
<td>6.2%</td>
</tr>
<tr>
<td>Law, advocacy and politics</td>
<td>3,638</td>
<td>5%</td>
</tr>
<tr>
<td>Environmental</td>
<td>3,393</td>
<td>4.8%</td>
</tr>
<tr>
<td>Philanthropic intermediaries and support organizations for other NGOs</td>
<td>2,070</td>
<td>2.9%</td>
</tr>
<tr>
<td>Religion</td>
<td>780</td>
<td>1%</td>
</tr>
</tbody>
</table>

Table 4: Polish NGOs: types and numerical significance (expressed both in numerical values and percentages) for the year 2007, according to the ICNPO classification, based on Klon/Jawor data.

### 2.3. Romania and Poland compared

On the basis of these identified types and their numerical significance within the overall framework of the NGO sector, one can establish the following similar trends in the development of the Polish and Romanian post-communist NGO sectors. First, in both countries, NGOs dealing with “culture and recreation” are the most numerous ones, a fact considered by some scholars as “very likely to reflect aspects of the heritage of the previous regimes, as culture and recreation were among the few fields of social activity tolerated and even encouraged by the Communist state.”

As the following chapter will show, foreign funds do not account for the numerical development of this category since Western aid focused more on the development of advocacy NGOs and those involved in the provision of social services.

Second, in Poland, the service providing NGOs and the ones involved in education are second, respectively third rank categories in both countries, while in Romania their ranking is precisely the other way around: education and research related NGOs are more numerous than the ones engaged in the provision of social services. One possible explanation for this aspect

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is given by Olivier Peyroux, who pointed out that in Romania “most of the private universities emerging after 1989 were registered under the label of foundations or associations”. 98

Health protection appears to be equally important for the activities of NGOs in the two countries since they rank fourth in the Polish numerical hierarchy and fifth in the Romanian one. Similarly, environmental and philanthropic NGOs rank 8th and 9th in both countries, while religion-based NGOs are the least numerically significant ones.

The two countries appear to differ only with respect to the place held by NGOs involved in the socio-economic development of the community, international activities and “law, advocacy and politics”. Whereas in Poland, development oriented NGOs are numerically more significant than the ones dealing with international activities and civic advocacy, in Romania international NGOs are more numerous than the ones involved in advocacy while those engaged in development appear to be the least significant of all.

Last but not least this structuring of the two NGO sectors contradicts to a large extent what Lester Salamon et al. indicated as a salient feature of East-central European non-governmental organizations: a significant part engage in “expressive activities”, performing to a less degree “service providing functions”. 99 These authors underlined that if in Western European countries NGOs are usually engaged in activities aimed at complementing state performance in fields such as health, social assistance and education, in East-Central European young democracies, NGOs stand primarily as vehicles for expressing the variety of societal interests and advocacy related issues, letting the state to be the main provider of welfare services. Yet, the aforementioned statistics about the Romanian and Polish NGO sectors present a landscape in which, taken together, social services, health protection and socio-economic development of the community represent at least in numerical terms a

99 Lester Salamon, S. Wojcieck Sokolowski, Regina List, Ibid., p. 27.
significant ratio of both Romanian and Polish NGOs’ activities. In both cases, fewer NGOs are involved in law, advocacy and rights defense activities. As the following chapter of the present thesis is about to show, this latter aspect is of paramount importance as most of the American financial assistance targeted primarily the development of advocacy organizations. Therefore, I consider interesting to see that in both Romania and Poland this type of organizations are not that significant in numerical terms, an aspect which indicates at a first glance an actual low impact of foreign funds on the development of the two NGO sectors. However, as the present study puts great emphasis on a qualitative evaluation of this impact, I consider that before judging this impact a close look should be also taken at the “substantive” significance of this type of NGOs, namely at the social impact of some of their activities and projects. For this reason, the following lines provide an insightful look into the realities that might stay behind the luring images of numbers and percentages of NGOs.

2.4. Numbers under close scrutiny

Once we have clearly established the structure of the two post-communist NGO sectors in terms of types and numbers, one significant aspect must be further pointed out. The reading of the aforementioned quantitative evaluation of NGOs must be done with maximum caution, since these figures provide no accurate information about the number of NGOs that are actually active. As Joerg Forbrig argues “official registers of civil society provide information only about the ‘nominal value’ of civil society”, so that “civil society as reflected in registration figures is essentially ‘sentenced to growth’”, providing however no accurate information “as to whether an organization is active, inactive or not in existence any longer.”100 A similar point was underlined by Gautier Pirrote, who rightfully points out that any type of registering NGOs is “not a reliable indicator of the NGO sector since they don’t cope with the

mortality rate characterizing the sector, creating an artificial increase of the number of NGOs”.101

To a large extent, this situation appears to apply to the Romanian and Polish NGO sectors as well, as the authors of the Review of the Romanian NGO sector: Strengthening Donor Strategies emphasized that the estimates done by their respondents during the research “would suggest that there are between 500 and 1,800 active NGOs in Romania, although recent work by the Civil Society Development Foundation indicates a higher figure of 2,000 to 3,000”.102 Similarly, Anna Gasior-Niemiec and Piotr Glinski pointed out that “only about two thirds of the registered NGOs are actually active”.103 Yet, while keeping all these realities in mind when critically assessing the numerical significance of different NGO sectors, the present thesis takes as its unit of analysis the official numbers existing about Romanian and Polish NGOs as it turns out to be impossible to find out the actual ratio of active NGOs within each field of activity. Thus, when critically assessing the impact of foreign funds and assistance over the numerical and typological structuring of the two NGO sectors, the present study has its dependent variable expressed in absolute rather than relative numerical terms.

Moreover, the same study on Romanian NGOs underlines one significant element which must be accounted for when referring to substantively significant NGOs: at least in the Romanian case, “those NGOs which are statistically more numerous are by no means the most visible in society”.104 For example, in Romania, although NGOs engaged in law, advocacy and rights’ defense activities are among the less numerically significant ones, they definitely constitute one of the most substantively significant parts of the Romanian NGOs due mainly to their social impact. For example, the CIVICUS Civil Society Index Reports

101 Gautier Pirrote, Ibid., p. 115.
104 Vera Dakova et al., p.13.
emphasizes that “the organizations in the field of child protection have been particularly able to participate at the elaboration of the new legislation on children”, while developing nationwide public campaigns against child abuse like “the program aimed at fighting violence against children”.\textsuperscript{105} Furthermore, as the same study indicates, Romanian NGOs active in the field of law, advocacy and rights can assume full credit for “the adoption of Law 544/2001 on free access to information and Law 52/2003 regarding transparency in the decision making process as major successes of NGOs rendering the state more accountable”, a further element proving that NGOs acting within this domain, although they are not among the most numerically significant ones, certainly exert a powerful social impact.\textsuperscript{106}

However, this situation seems to be less true in Poland, where one can observe a different situation when it comes to the balance between the numerical and substantive significance of NGOs. The best example in this respect is that NGOs providing social services are among the most numerically significant ones, while also being credited with a relevant impact on “meeting societal needs”.\textsuperscript{107} The best example in this respect is the finding of the Klon/Jawor Association’s study on several “social institutions that were working on the behalf of the citizens of Warsaw”: “the majority (57\%) of the 1,603 studied social aid units were run by the non-governmental sector, i.e by associations and foundations”.\textsuperscript{108} Here, the bulk of social services were provided by NGOs. In this particular case, the numerical significance of NGOs matches their “substantive” relevance.

Thus, when evaluating the actual influence of foreign financial aid, the present thesis will pay attention to the way the NGO sectors developed in terms of both numerical and substantive significance.

\textsuperscript{105} CIVICUS Civil Society Report for Romania, p. 60.  
\textsuperscript{106} Ibid., p.62.  
\textsuperscript{107} CIVICUS Civil Society Report for Poland, p. 71.  
\textsuperscript{108} Ibid., p. 72.
2.5. NGOs and regional aspects

Besides the main types of NGOs operating in the two countries and their numerical significance, one further dimension of the nonprofit sector deserves a closer scrutiny: the geographical distribution of NGOs in each country by taking into account the type of town the NGOs are located in. The relevance of this aspect for the present study is given mainly by what Joanna Regulska identified as a salient feature of post-communist civil societies: an uneven distribution of the foreign assistance along the urban versus rural dimension. As she rightly pointed out “the groups located in urban-industrialized areas have had more opportunities to access information, funding, or professional expertise, whereas those located in small towns or rural communities have been isolated from such support”.109 Similarly, the CIVICUS Index Report for Poland observed that “there is a clear relation between the location of the associations and foundations on the one hand, and their potential as well as the object and range of their activities on the other”.110 Therefore, it is important to establish the ratio of NGOs that actually had the opportunity of accessing foreign aid as they were located within urban areas which due to their size facilitated the access to information and funds.

Thus, a brief analysis of Romanian NGOs indicates that in 2001, “14% of NGOs were located in rural areas while 86% in urban areas, with 52% of the latter category in county capitals, 17% in other cities and 17% in Bucharest”.111 A similar situation is described by the 2005 CIVICUS Civil Society Index for Romania, which underlined that “NGOs are largely concentrated in urban areas”, two thirds of NGOs being located in urban areas while one third based in rural areas.112

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110 CIVICUS Civil Society Index in Poland, p. 29.
112 CIVICUS Civil Society Index on Romania, p. 25.
One can also observe a relationship between the level of development of a county, and the numerical development of NGOs. Thus, the FDSC report on the *Changes and trends of the Romanian NGO sector*, offers for the year of 1998 the following distribution of NGOs with respect to the socio-economic development degree of the different Romanian counties. According to this study, “41% of Romanian NGOs are located in rich counties, 20% in counties developed over the average, 18% in counties with average development, 11% in counties developed under the average and 10% are based in poor counties”.

Therefore, it appears that the Romanian NGO sector is characterized by a rather unequal numerical distribution of NGOs, according to which the best-off counties also possess the most numerous NGOs. Furthermore, what appears to be even more interesting, though not totally surprising, is the fact that NGOs are mostly located in urban areas. This is of paramount importance when assessing the impact of foreign aid and funds on the Romanian NGO sector, as it represents one of the symptomatic features of the distribution of foreign aid in this country: the unequal distribution of funds, clearly and openly favoring large, urban areas. Thus, one can conclude that, in Romania, the geographical distribution of the bulk of NGOs theoretically provided them with the opportunity of having access to foreign funds.

As for Poland, the NGO sector presents a similar picture with respect to the geographical distribution of organizations. As the CIVICUS Civil Society Index for Poland reports, in 2005, 27% of Polish NGOs could be found in “small towns and rural areas”, 14% in towns with a population up to 50,000 inhabitants, 19% in “cities with more than 50,000 inhabitants”, 28% in *voivodeship* capitals, while 12% were located in Warsaw. Furthermore, the same study

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113 The Romanian administrative territorial unit corresponding to the term “county” is the so-called “județ”. There are 42 such administrative-territorial units in Romania.
116 “Voivodeship capitals” correspond to Romanian “county capitals”, denominating the administrative center of a territorial-administrative unit of the territory.
117 CIVCUS Civil Society Index for Poland, p. 29.
points out that “organizations that operate in cities are larger, richer and work on a larger scale”.\footnote{Ibid., p.29.}

These findings receive further support when considering Galia Chimiak’s comprehensive overview of the main Polish surveys and studies concerning the regional distribution of Polish NGOs.\footnote{Galia Chimiak, \textit{How Individualists Make Solidarity Work}, (Warszawa: Ministerstwo Pracy I Polityki Spolecznei, 2006), pp. 91-92.} As this author points out, a significant part of the research focused on this issue suggests that in Poland NGOs appear to be a predominantly urban phenomenon, their numerical significance following a “center-periphery” division, so that one could say that “the larger the city, the greater the density of activity of associations”.\footnote{Jerzy Bartkowski, quoted in Galia Chimiak, Ibid., p. 92.} The author further underlines that “the voivodeships, [of] which administrative centers are Warsaw, Cracow, Poznan, and Gdansk have the largest number of registered NGOs.”\footnote{Galia Chimiak, Ibid., p. 93.}

Therefore, in both Romania and Poland, NGOs appear to be located mostly in urban areas, their presence being also associated with a certain high level of socio-economic development of the area. In this respect, it would be interesting to consider the two-way relationship between the presence of NGOs and the economic development of a geographical and/or administrative region, to see whether it is the wealth of the region that encourages the establishment of NGOs, or it is the creation of NGOs that nourishes socio-economic development. However, this aspect is beyond the scope of the present study so that no further attention is paid to it. Yet, what stands as an interesting and relevant aspect for the present study is the unequal distribution of NGOs, following mainly an urban versus rural dividing line. In this respect it is interesting to inquire whether the distribution of foreign funds and aid followed a similar distribution in the two countries. If this proves to be the case, it means that not only the presence of foreign funds and assistance account for the “baby-boom” of

\begin{thebibliography}{9}
\bibitem{1} Ibid., p.29.
\bibitem{3} Jerzy Bartkowski, quoted in Galia Chimiak, Ibid., p. 92.
\bibitem{4} Galia Chimiak, Ibid., p. 93.
\end{thebibliography}
NGOs, but also the degree of availability and accessibility of this assistance which appears to have favored urban areas over rural ones.

Last but not least, reports suggest that in both countries the numerical distribution of NGOs also follows a distribution along the lines of historical regions of the two countries. Thus, in 2005, the bulk of Romanian NGOs were in the Western historical regions of Transylvania (37.3% of NGOs), Crişana and Banat (13.2%), while only 14.9% were based in Moldova and 14.7% in Muntenia and Oltenia, with Bucharest taken not as part of Muntenia but as a separate region and counting for almost 20% of NGOs. Thus, Romanian NGOs appear to be significantly more numerous in the Western regions of Romania and Bucharest, while being less present in the Southern and Eastern parts. While benefiting from a much better socio-economic situation, these Western parts are also credited with much higher levels of citizens’ civic participation within non-governmental organizations, higher levels of citizens’ awareness about the existence and activities of NGOs as well as higher levels of citizens’ trust in NGOs. However, these Western parts also received a substantial part of donors’ financial support during the 1994-2000 time period: as the Review of Donor Support for the NGO sector indicates, 30% of the financial support for NGOs went to Transylvania and Banat, while only 13% to NGOs located in Moldova and 8% those in Muntenia. Furthermore, the same report indicates that the bulk of financial assistance went to NGOs located in Bucharest. Thus, it appears that in Romania the distribution of NGOs and that of foreign funding went along the same lines, an element which might indicate a strong relation between the growth of NGOs and this type of assistance.

As for Poland, a similar distribution of NGOs on the basis of different historical regions and their degree of socio-economic development is to be observed. In their 2006

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122 Ibid., p. 91.
123 CIVICUS Civil Society Index for Romania, p. 25.
125 Vera Dakova et al., p. 69.
report on the state of the NGO sector in Poland, Gumkowska and Herbst point out that Eastern provinces, less urbanized and formerly administered as Russian lands during the Partition period are characterized by a relatively modest number of NGOs as compared with the Western and Northern parts of Poland, which are more urbanized and are significantly assisted by German foundations.126 Expressing the numerical presence of NGO as the number of organizations per ten thousands inhabitants, these authors underline that the lowest scores for NGO density are to be found in the Central and Eastern provinces of Lodzkie (6.1 organizations/ 10,000 inhabitants), Podlaskie (7.3 organizations), Swietokrzyskie (7.3) Lunelskie (7.7).127 According to the same authors Pomerania, Western Pomerania and Lower Silesia present as well a relatively high density of NGOs per ten thousand inhabitants, the scores ranging from 10.7 to 11.3.128

As there are no available data about the way foreign aid was distributed along Polish regions, no inference can be made with respect to the relationship between assistance and the regional growth of NGOs. Still, what should be kept in mind about Poland is that the historical legacies and geographical proximity might have played a role in the distribution of this aid.

2.6. Concluding remarks: types, numbers and regional distribution of NGOs

Considering this brief yet comprehensive description of the main dimensions of the Romanian and Polish post-communist NGO sectors, a comparative assessment of all these aspects reveals several interesting findings about this particular sector of civil society.

First, as already mentioned, the two countries present a similar picture in terms of the numerical relevance of each existing type of NGOs, with culture and recreation related NGOs

128 Ibid., p. 15.
representing the largest numerical part of NGOs. However, when assessing the relationship between the numerical significance of a certain type of NGOs and its substantive significance (understood broadly as social impact), one could see that the two countries differ. As shown within the examples, in Romania, one can find the most active and successful NGOs among those dealing with law, advocacy and human rights, although this type appeared to be among the least significant ones in numerical terms. Considering that Romania benefited to a large extent from American financial assistance which focused mainly on the development of advocacy NGOs, this substantive significance might indicate a high level of impact of foreign aid on the NGO sector. At the opposite pole, in Poland, a study by Klon/Jawor association showed that among the most influential NGOs in terms of social impact are social services providing NGOs, which also stand for one of the most numerically significant parts of the NGO sector.

Yet in both countries, the actual number of NGOs must be carefully assessed since official statistics provide no information about how many NGOs are actually active. A brief insight into existing approximations of this category of “active NGOs” showed that the Polish NGO sector encounters a considerably larger portion of active actors (two thirds) than the Romanian one, where the most optimist predictions spoke about a range between 500 and 3,000 active NGOs out of around 15,000 registered within the FDSC database.

Last but not least, in both countries we identified an unequal numerical distribution of NGOs over both administrative-territorial units and the historical regions of the two countries. As already pointed out, NGOs are mainly an urban reality, usually characterizing urban areas with higher levels of socio-economic development. This presents a rather interesting and thought-provoking reality since one relevant question comes to the fore: is it the high level of socio-economic development of the region that fosters the growth of NGOs, or it is the presence of NGOs that nourishes economic and social development? Although it is difficult to
give a clear cut answer due mainly to the lack of enough empirical data, my belief is that most
probably it was the overall economic situation and level of urbanization of a region that had
an impact over the development of NGOs. Taking into account that NGOs are a new
phenomenon within the two countries, while regional socio-economic disparities could be
observed in the two countries for decades now, it is highly probable for a higher level of
economic development to bring with it more resources and time availability necessary for the
creation of NGOs. This reality might represent an alternative causal explanation for the
mushrooming of Polish NGOs since they benefited to a larger degree than the Romanian ones
from grants and subsidies coming from local governments. In this respect, it is somehow
logical for NGOs to be more numerous in those administrative units where local governments
faced a better economic situation and could afford to offer more aid to NGOs.

Yet, the aforementioned situation is somewhat surprising since in Western societies,
NGOs are usually associated with service delivery activities that come to complement the
state in its efforts to provide a well-functioning welfare system. According to this logic,
NGOs should be much more numerous in those Romanian and Polish NGO regions that are in
a worse off socio-economic situation, helping the socio-economic development of the region.
However, this is not the case. In Romania, one reason explaining this situation would be that
NGOs are more involved in expressive, advocacy oriented activities than in service-delivery.
Yet, in the Polish case the number of NGOs active within the provision of social services is
much more significant, letting us to believe that the logic behind the structuring of the Polish
NGO sector resembles more that of West European countries. This paradoxical Polish
situation of a significant NGO service-delivery field and their concentration only in the best-
off regions enhances the puzzle of post-communist civil societies, pointing out further reasons
for believing that East-central Europe follows a very distinct path from the Western one in
developing its civil society and democracy.
Keeping in mind this general overview of the salient features of the Romanian and Polish NGO sectors in terms types of actors and their numerical significance, the present study moves further with its analysis tackling the issue of foreign funds and assistance provided to the two countries during the first decade and a half of post-communism and their impact on the development of the NGO sector. While first presenting a general framework of the main ways in which Americans and West Europeans concentrated their efforts on developing an organizational basis for East-Central European civil societies, the second part of the chapter critically assesses the intricate and thought-provoking realities of foreign aid for the development of Romanian and Polish NGO sectors.
CHAPTER 3: WESTERN FUNDS AND CIVIL SOCIETIES: WHAT’S THE CONNECTION?

3.1. Preliminary remarks

Trying to inquire the impressive numerical outburst of Romanian and Polish NGOs, the present thesis proposed the critical assessment of the impact of one main explanatory variable: the influx of foreign funds for the creation of an organizational basis of civil societies. This foreign aid was in fact part of what is usually called “democracy assistance” for the East-Central European countries, a Western attempt to contribute to the difficult transitions to a democratic political system and a market oriented economy. Due to the complexity of this aid, I consider a few preliminary remarks necessary about the overall framework of foreign assistance, about the two main sources of assistance (American and European) and their correspondent peculiar manner of providing help to post-communist countries. Once this general framework is clearly defined, the second part of the chapter provides an in-depth analysis of the relationship between foreign funds and assistance and the growth of Romanian and Polish NGOs. The main argument of this part is that although there are many and significant voices indicating foreign aid as an explanatory variable for the aforementioned phenomenon, empirical findings and a qualitative evaluation of foreign funds’ impact on civil society ask for much caution when assessing the causality between the two. The study indicates first that Polish NGOs benefited to a significantly less degree from foreign funds, whereas in Romania foreign funds account for more than 50% of the revenues of the nonprofit sector. Yet, in both countries a qualitative analysis of the Western efforts to build civil societies sheds light on the factors that exerted a limiting power over the impact of foreign financial aid on the development of NGOs.
3.2. Western assistance to East-Central European civil societies: Who, What, How?

Since there is widespread agreement among social researchers and policy-makers alike that a consolidated democracy presupposes also a vibrant civil society, immediately after 1989, countries of East-Central Europe received considerable funds and assistance, targeting the development of civil societies in general and their NGO sectors in particular. First, it should be underlined that the two main sources of this assistance were the United States and the European Community (European Union). Second, that this aid was offered either through governmental programs or by private foundations, an element which complicates further the picture of foreign assistance since part of the private foundations were just intermediaries of governmental program (like, for example, National Endowment for Democracy) or grant-providers per se. Since American and European public and private assistance were the most important sources for Romania and Poland and each employed a particular strategy in offering its help, it is worth examining them.

Thus, the first thing to be mentioned is that the main American program destined to aid East-Central European civil societies was the U.S.AID program, initiated in November 1989, through the Support for Eastern Democracies Act. Richard Quandt estimates that within this program, for the 1990-1996 time period, $2.7 billion dollars were channeled to 15 countries of East-Central Europe. The basic assumption guiding American aid to East-Central Europe was that there should be a “strong causal relationship between the development of NGOs, development of civil society and democracy”, American aid officials believing “that a robust, highly independent NGO sector is a prerequisite for civil society, which in turn is

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essential for a working democracy.” Thus, one could identify two main approaches of American aid: in its initial phase, technical assistance and the provision of other forms of training were predominant, whereas during the mid-1990s the focus of the strategy switched to the provision of grants.

Within the overall American assistance effort to the newly emerged democracies, one could also observe that a particular American focus on developing the organizational basis of civil societies came to the fore only during the mid-1990s since up to that moment, much more emphasis was put on developing democratic state institutions in areas such as the judiciary or the legislative power.

In both technical-assistance providing and grant-making programs, U.S aid favored the development of NGOs dealing with advocacy issues in areas such as democracy, human rights, environmental issues and economic growth, being less supportive of the development of service-delivery NGOs.

Furthermore, what also stands as a salient feature of the American governmental aid was the fact that its implementation was “entrusted to intermediary organizations”, like the “National Endowment for Democracy and its affiliated organizations” together with “a variety of U.S based NGOs”. Thus, American assistance implied no or just minimal interference from the part of the national governments of the recipient NGO sectors, the aid being channeled by the American government, through American intermediaries directly to East-Central European NGO beneficiaries. Moreover, the advisers and technical staff employed within each country for the implementation of the programs were mainly Americans.

132 Ibid., p. 195.
133 Ibid., p. 199. The author mentions here the Democracy Network Program, designed to channel small grants towards East-Central European NGOs. He considers this program as “a leading example of the U.S effort to help NGOs so as to strengthen civil society in the region”.
135 Kevin F. F. Quigley, Ibid., p.198.
136 Ibid., p.200.
possessing thus a significantly different mindset, life and work experience from their East European counterparts about what NGOs and civil society stand for. As the following subchapter underlines, this constituted one of the factors limiting the impact of American aid programs over the targeted sectors of civil societies in the host countries, since these programs “often imported structures and approaches peculiarly American in flavor” without paying attention to local contexts and circumstances.\footnote{Richard E. Quandt, Ibid., p. 36.}

On the other hand, East-Central Europe also benefited from the aid coming from the European Union, mainly through the PHARE program. What distinguishes the European civil society assistance from the American one is first the equal emphasis put on the development of both advocacy and service providing NGOs, and second, the fact that the European programs were designed in such a way as to fit each national context.\footnote{Ibid., p.204.} As Quigley points out, the European Union’s effort to foster the development of local civil societies necessarily implied the creation of a “Civil Society Development Foundation”, while the financial or technical assistance was being channeled “through locally constituted organizations governed or staffed by local citizens”.\footnote{Ibid., p. 203.} Therefore, from the perspective of main aid channels used, European efforts appear to be more context sensitive than American ones, thus enjoying higher chances of success in terms of implementation and social impact.

However, besides these governmental aid programs, civil society assistance came to Eastern Europe from American or European private foundations as well. As the following lines are about to show, foundations such as the Soros Foundation, the Charles Stewart Moot Foundation and the German Marshall Fund were present almost in every country of the region, Romania and Poland included. While being usually successful in implementing their aid programs due mainly to the fact that their operations implied less bureaucratic procedures so
that their grants were much more easily accessed by local NGOs, these private foundations presented the major drawback of being too few to “make a real difference”.\footnote{Dan Petrescu, “Civil Society in Romania: From Donor Supply to Citizen Demand”, pp. 230-231.}

This being the overall, brief picture pointing out the main dimensions of American and European assistance for the development of civil societies and their NGO sectors in East-Central Europe, the following lines present a more in-depth analysis of the presence and impact of foreign assistance over the Romanian and Polish NGO sectors.

3.3. Foreign financial assistance in Romania and Poland: a quantitative evaluation

Once established the main features of the donor community, the following lines present first a quantitative evaluation of the importance of foreign funds within the overall financial structure of the two NGO sectors. Second, it provides a qualitative evaluation of the relationship between foreign funds and the growth of NGO sectors by paying attention to the potential factors that might have limited the impact of the former over the latter.

In order to assess the importance of foreign financial assistance on the development of the two NGO sectors, the present study critically assesses the results of several reports on the Romanian and Polish NGO sectors. I focus here on the ratio of foreign funds within the entire framework of financial resources so as to see how much of their financial situation NGOs owe to foreign money. Due to the lack of a well-kept official database about the flows of foreign funds towards the NGO sectors of the two countries, this study employs only data provided by secondary sources like the “NGO Stock-Taking in Romania” and “NGOs in Poland, Basic Facts”. Moreover, due to the lack of consistent up-to-date financial records about the funding of the two NGO sectors, I found myself obliged to use two different types of reports for the Romanian and Polish cases, providing information for two different time frames: whereas in the former case I employ data for the year of 1995, in the latter I make use of a dataset from
the year 2003. Being well-aware of the inappropriateness of this type of approach for the pursuit of an accurate empirical comparative research, I found myself constrained to pursue this type of comparative analysis as up to this point of my research I found no other available sources providing information about the topic.

With respect to this lack of available information datasets, I consider the following statement of one of the studies on the Romanian NGO sector as skillfully capturing the essence of this issue: “No recent data is available regarding the proportion of foreign funding in Romanian NGOs’ budgets”. 141 Moreover, the same source indicates that with respect to the quantitative evaluation of the foreign financial support, “[t]he different styles of reporting have made the compilation of data difficult and the limited literature available on quantitative support to NGOs did not allow for extensive cross-checking of the information received”. 142 This lack of clear information about the financial aspects of Western democratic assistance appears to be symptomatic of the entire East-Central European region as emphasized by Siegel and Yancey, who underlined that “although precise figures are not available, perhaps as much as three fourths of external aid earmarked for the development of the nonprofit sector in East Central Europe is actually granted to Western institutions involved in the region”. 143

However, despite these methodological difficulties, a critical assessment of secondary sources unveiled the following quantitative findings about the two NGO sectors.

3.3.1. Romania

When studying the impact of foreign assistance over Romanian NGOs, the only coherent and relatively reliable source of information appears to be the World Bank’s Resident Mission in Romania report on the NGO sector (1998). Providing a comprehensive and well-informed assessment of the Romanian NGO sector with regard to its historical development, legal

141 Vera Dakova et al., Ibid., p. 38.
142 Ibid., p 59.
framework, structures and activities, this report also brings to the fore consistent information about the main funding sources for the entire NGO sector. Thus, this report indicates that for the year 1995 “foreign governmental, non-governmental and private funds” counted $106 million and stood for 56% of the total amount of “funds raised and allocated for the NGO sector”.

Without any doubt, this funding resource was the most significant one for Romanian NGOs. Thus, “donations and contributions of the population (including membership fees)” stood for only 12% of all funds, while “fees for services and interests” represented only 11%. Similarly, “sponsorship and donations from businesses” were only 7% of the NGO sector finances, “subsidies and fees for services from the governmental sector” only 5% and “other sources” accounted for 9% of the funds.

This report goes even further and asserts that “there is an unsubstantial proportion of state subsidies granted to NGOs”, so that “it can be stated that the development of NGOs in Romania has been achieved without significant and direct support from the state”. Furthermore, the figures in this study appear to be validated by another research within the project of the Johns Hopkins Institute under the name of Global Civil Society: Dimensions of the Nonprofit Sector. One of the main findings of this project about the Romanian NGO sector in terms of its funding sources was that at the end of the 1990s “it receives the bulk of its revenue (…) from the international public sector sources”, which include “the European Union and the United States”. This study also points out that “the international support accounts for more than half of revenues”, as “a significant share of the private philanthropy

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145 Ibid., p. 43.
146 Ibid., p. 45.
received by Romanian nonprofits comes from international funders, as well, including the Soros Foundation and other private foundations outside of Romania.”

Considering the findings of both these studies, one salient feature of the Romanian NGO sector comes to the fore: during the mid-1990s, it was a sector in which foreign financial resources played a highly significant role, accounting for more than half of its overall funding sources. Furthermore, without actually mentioning its ratio within the overall NGO funding framework, the *Review of Donor Support* indicates for the time span of 1994-2000 that “rough estimates suggest that the amount of support granted to NGOs (…) exceeds 28 million US dollars, while another 17 million USD was distributed in the same period (…) as part of programs to which Romanian NGOs were also competing for funds.”

Therefore, at first glance, a quantitative assessment of the foreign financial aid for the development of Romanian civil society indicates that these funds constituted the most significant part of the revenues of the NGO sector for most of the first decade of the post-communist period. Although there are no data available for the period after 2000, I believe it is reasonable to consider that foreign assistance continued to be significant at least in quantitative terms, given the fact that usually one of the side-effects of a consistent external financial help greatly affects the capacity of the NGO sector to develop financial self-sustainability, creating in return a strong relationship of dependency of the recipient community on donors. However, for an accurate assessment of the impact of these funds on the development of the NGO sector is also needed as the following part is about to show.

**3.3.2. Poland**

Looking for data about the presence of foreign funds in Poland, my research could find only partial information about the ratio of different types of financial sources as indicated by

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149 *Review of Donor Support for the NGO Sector in Romania*, p. 65.
the respondents participating in Klon/Jawor Association’s study on the Polish NGO sector. In this case, the presence of funding sources is not directly expressed as a numerical value so that their importance within the overall financing of NGOs is to be inferred from the percentage of organizations mentioning that they “used the given source in 2003” and from an approximation of the “percentage of different sources of the sector’s total financial reserves”.  

Thus, unlike in Romania, Polish NGOs appear to be financially sustained to a much less significant degree by foreign funds, as only 4.6% of the NGOs included in the representative sample of the aforementioned study indicated that they received “support from foreign non-governmental organizations”, while only 4% indicated that “foreign public sources and aid programs” constitute one of their funding sources.  

What stands as a salient feature of the Polish NGO sector is the prominent ratio of “membership fees” as a funding source for more than half of Polish NGOs (59.9%). Furthermore, unlike in Romania, in the Polish case, the study speaks about 45.2% of NGOs indicating among their funding sources “local authorities finances”. Therefore, it appears that Polish NGOs benefited to a larger degree from the partnership with the state and public authorities.

Assessing the percentage of different funding sources within the overall “financial reserves” of the Polish NGO sector, the Klon/Jawor study points out that “support from foreign non-governmental organizations” represents only 4%, whereas “foreign public sources- aid programs (including European funds) stood for only 3.5%”.  

Therefore, when it comes to the quantitative evaluation of the relevance of foreign funds within the overall funding sources of the Polish NGO sector, one can see that these do not hold a significant ratio. As Salamon, Sokolowski and List pointed out in their comprehensive,

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152 Ibid., p. 19.
153 Ibid., p. 19.
154 Ibid., p. 21.
cross-national comparative study of NGO sectors,\textsuperscript{155} Poland had during the mid-1990s an NGO sector that was mainly financed by membership fees. According to their findings, fees accounted for 60\% of the NGO funds, while governmental money represented only 24\% and philanthropy only 15\%.\textsuperscript{156}

Thus, according to the data put forward by the Klon/Jawor association for the year 2003 and to the findings of the 1995 cross-national comparative study of Salamon et al., it appears that in the Polish case, the presence of foreign funds constitutes an insignificant explanatory variable for the existence of the NGO sector.

However, this conclusion must be assessed with much caution as there are also voices arguing for the contrary. For example, as Kevin Quigley pointed out in his insightful book about democratic assistance in Central Europe, during 1989-1994 period “Poland has been the principal European beneficiary of Western attention”, “German foundations playing a very large role in Poland in terms of financial resources provided.”\textsuperscript{157} Yet, unfortunately, this study did not go further with its analysis, providing no quantitative data in support of its claims. Furthermore, if we consider Quigley’s findings in relation to the number of NGOs created along the 1990-2004 time span, one can find a decline within the numerical growth of NGOs: as the Klon/Jawor study points out, 14.2\% of the interviewed NGOs declared “the year of their creation” as 1989, 12\% somewhere between 1989-1992, 10.7\% between 1993-1995.\textsuperscript{158} Therefore, according to these data, the Western financial aid that Quigley was mentioning appears not to be translated into a numerical growth of NGOs. On the contrary, NGOs included within this study appear to indicate that there was a slight but obvious decline in the growth rate of Polish NGOs during the 1990-1994 period.

\textsuperscript{155} Salamon et al., \textit{Global Civil Society: An Overview}, (Baltimore, MD: The Johns Hopkins Institute for Civil Society Studies, 2003), p. 32.
\textsuperscript{156} Idem.
\textsuperscript{158} \textit{NGOs in Poland- Basic Facts}. Klon/Jawor Association 2004., p. 8.
Thus, while being well aware that the gathered empirical data come only from secondary sources and refer mainly to the year 2003, the present study considers that there are good reasons to believe that in Poland foreign financial assistance played a significantly less important role in the funding of the NGO sector than it did in Romania.

3.4. Western assistance in Poland and Romania: a qualitative perspective

As already mentioned within the introductory part, the present thesis considers that the puzzle of the numerical growth of NGOs in both countries, despite the significantly different ratio of foreign funds within the overall revenue sources of the two NGO sectors, is to be explained by paying attention to several factors that might have affected the quality of Western assistance. Therefore, the following lines shed light on the way the peculiarities of assistance encountered in the Romanian and Polish case influenced the quality of the impact of foreign financial assistance over the development of the NGO sector.

One first aspect is the difference between the two countries in terms of private versus public foreign assistance programs. This provides at least a partial explanation for the different ratios of foreign funds within the overall financial structure of Polish and Romanian NGO sectors and for the relevance of these funds for the numerical growth of NGOs. The main difference between the two types of programs was pointed out by Kevin Quigley, who emphasized that private foundations were usually providing support in terms of “training, technical assistance, research and institution building”,\(^{159}\) being less involved within grant-giving activities, which were usually associated with public aid programs such as USAID or PHARE.

Thus, a brief assessment of the main private and public actors providing civil society assistance to Poland and Romania reveals the following realities: first, Poland benefited to a larger degree from the assistance of private foundations (of which a significant part were

\(^{159}\) Kevin F. F. Quigley, Ibid., 1997, pp. 9-10.
German), whereas Romania benefited more from the help offered within the framework of the U.S.AID program and other public programs coming either from the U.S or the European Union. Offering their help to Polish NGOs in the field of “training, technical assistance, research and institution building directly or through intermediaries”, German foundations such as the Humboldt Foundation or Bosch Stiftung contributed, for example, to the creation of the Polish Foundation in Support of Local Democracy, a successful NGO aimed at “enhancing the capacity of local government to respond effectively to citizens’ concerns”.

Besides German foundations, one can also account for the efforts of Fondation de France in establishing in 1990 a Polish counterpart- Fondation de Pologne, envisaged broadly as an organization designed to “promote the development of the NGOs in Poland”. Furthermore, Poland also benefited from the resources of the Soros network of foundations, which established as early as 1988 the Stefan Bathory Foundation, one of the hard-cores of the development of the Polish NGO sector in terms of grant-giving projects targeting Polish NGOs.

Therefore, when assessing the external assistance provided to Polish NGOs, one can notice first that private foreign foundations played an important role, and second that the origins of these foundations were very diverse. This prominence of private assistance programs explains to a significant degree why foreign financial aid per se is less relevant within the overall financial framework of Polish NGO sector, and therefore, why the growth of Polish NGOs owes very little to Western financial aid.

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163 Ibid., p. 50.
165 Ibid., p. 244.
Post-communist Romania exerts a slightly different reality, in the sense that significantly less private foundations were active here, the bulk of foreign assistance coming from “public channels” and governmental programs, like USAID, National Endowment for Democracy, PHARE Civil Society Development Program, PHARE for Democracy. As for the country of origin of these public sources of assistance one can notice two main trends. First, one could initially notice a predominance of American programs at the beginning of the 1990s. As Thomas Carothers notes, this American aid was focused on the creation and development of “civic advocacy organizations”, so that its principal beneficiaries were Romanian NGOs dealing with “human rights, civic education and environment”. This author goes even further asserting that “almost all of the major human rights organizations in Romania (...) have received U.S support”. A relevant example of a type of organization created during this period of American assistance is the Pro-Democracy Association, one of the most successful “civic and education” NGOs, which was “fostered and initially trained by the National Democratic Institute on an USAID contract”.

A second phase in the American assistance to Romanian NGO sector started during the mid-1990s and consisted of “direct financial and technical assistance […] through the regional Democratic Network Program”. The basic characteristic of this stage of American aid was the predominance of “small and medium-size grants” channeled towards the NGO sector.

However, over the years, the influx of American assistance was gradually outgraded by that of the European Union, so that by 1998, the World Bank’s report clearly emphasized

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166 NGO Stock-Taking in Romania, p. 47.
167 Thomas Carothers, Ibid., p. 65.
168 Ibid., p. 66.
170 NGO Stock-Taking in Romania, p. 20.
171 Dan Petrescu, Ibid., p. 224.
172 Dan Petrescu, Ibid., p. 224.
that E.U assistance “is bigger than the USA support”. Dan Petrescu estimates that during the first decade after 1989, PHARE invested “over 7 million Euros” into the development of civil society in Romania. Following a policy more sensitive to regional peculiarities, the E.U financial and technical assistance for Romanian NGOs took place within the framework of the following programs: PHARE Civil Society Development Program, the PHARE for Democracy, the PHARE LIEN or the PHARE for Partnership. One of the consequences of these programs was the creation of the Civil Society Development Foundation, aimed at monitoring the NGO sector and enhancing the exchange of information within the NGO environment.

However, although Romania benefited more from foreign assistance offered through the intermediary of public programs, one can also identify a number of foreign private foundations that played an important role in fostering the development of the NGO sector. For example, the World Bank’s report emphasizes the “outstanding” role played by “the German Marshall Fund and the Charles Steward Mott Foundations” or the Soros Foundation, “which have funded programs in the field of civic participation and NGO development”. At this point of my argument, it is worth mentioning the special place of the Open Society Foundation within the overall framework of the Romanian NGO sector: according to Dan Petrescu, this Soros created foundation spends “annually between 8 and 15 million U.S dollars” on different programs, occupying “a very special position among donors operating in Romania”.

Therefore, the significant presence of foreign, public aid programs in Romania, together with the important quantitative presence of foreign funds, seems to support the initial claim that one of the factors that actually tailored the impact of foreign assistance on NGOs

173 *NGO Stock-Taking in Romania*, p. 47.
175 *NGO Stock-Taking in Romania*, p. 47.
was the salient characteristics of the donor community. Yet, the present thesis considers that the relevance of foreign funds for the development of the NGO sector should also be judged by using even more critical lenses and by looking at potential factors that might have affect the quality of the manner in which funds reached Romanian NGOs.

Moreover, it is rather difficult and somewhat premature to accurately assess whether in Romania, foreign funds represent a sufficient explanatory variable for the development of NGOs. Unfortunately, accurate and clear datasets about financing the Romanian NGO sector are too rare found so that the present thesis has to base its analytic inquiry only on some raw data provided for the year 1995 and therefore to restrain the focus of its claims by arguing only that Romanian NGOs owe a significant part of their existence to NGOs, yet not all of it.

### 3.5. In search for a direct connection

Besides the type of the funding source, there are also some other elements which suggest a rather loose relationship between Western financial assistance and the development of the two civil societies.

The first one refers to a methodological aspect: the lack of well-kept financial records and aggregate datasets about the amounts of money and the logistical assistance poured into the two countries. The lack of sufficient data makes impossible the use of quantitative, statistical techniques of analysis that could transform causal inferences into reliable proof about the real impact of foreign funds for the time span after 1995.

This aspect becomes even more important when considering the second factor that affected the manner in which foreign assistance influenced the development of NGOs: this assistance came on an irregular basis. It is widely believed that “foreign support for NGOs was not even” and that “certain phases can be identified”, a fact which complicates further

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and impedes an accurate longitudinal assessment of the NGO sector for the entire 1990-2007 time period. For example, the “Review of Donor Support for the NGO sector in Romania” mentioned three main such phases in the development of the Romanian NGO sector, which were strongly connected to the discontinuities existing within the influx of foreign support. The first phase was identified for the 1990-1994 period and corresponded to what was called “the “mushrooming” or “flourishing” of NGOs, when support came “almost exclusively from external donors and was designed to cover the most urgent needs in Romania”\textsuperscript{179}.

During this period, large sums of money were poured towards Romania, yet in a rather chaotic way, since the donor community possessed on a limited amount of knowledge about field realities and local needs. The aforementioned report underlines that during this phase “both the number of grants and the average grant size were increasing”\textsuperscript{180}. While this phase was marked by a quantitative development of the NGO sector, the second phase was one of “qualitative development”, during which “large funding was accessible for NGOs and the NGO sector was perceived to be dynamic and professional”\textsuperscript{181}. Possessing some experience, the donor community focused now more on those NGOs that appeared to act in a professional way and which succeeded in developing both the skills and the connections in accessing foreign funds. This qualitative development presupposed that only a small group of Romanian NGOs started to benefit from Western assistance. However, according to the same study, the third and last phase (1998-2000) was characterized by a “sharp decrease in funds for NGOs combined with a lack of continuity in support”\textsuperscript{182}.

Interestingly enough, Kevin Quigley identified the same stages regarding the way foreign democratic assistance was received within the region of East-Central Europe, indicating thus that most probably Poland faced a similar fluctuating assistance from Western

\textsuperscript{179} Ibid., p. 63.
\textsuperscript{180} Ibid., p. 68.
\textsuperscript{181} Ibid., p. 64.
\textsuperscript{182} Ibid., p. 64.
aid. This author euphemistically refers to an initial period of “unfettered enthusiasm”, characterized by a “positive flow” of foreign and technical assistance to East European foundations and associations, followed by a phase of “skeptical enthusiasm” and one of “growing disenchantment” on the part of East Europeans with respect to Western efforts to foster democracy.\textsuperscript{183} Therefore, considering that Western financial aid was not constant, the exact relationship between the growth of NGOs and the presence of foreign funds is even more difficult to establish.

A third factor affecting the relationship between foreign assistance and NGOs in both countries was given by the fact that, besides being a fluctuating source of revenue, foreign financial aid was also unevenly distributed among the existing NGOs. As Gautier Pirrote emphasized, “if, quantitatively, the resources coming from abroad are the most important ones, it seems that not all Romanian NGOs have an equal access to them, but only a minority – 19.5\%”.\textsuperscript{184} This leads to a structuring of the Romanian NGO sector within two different camps: one of “professional NGOs, participating in and initiating important projects and receiving important sums of money” and one of NGOs that “don’t have access to these resources and seem to act as amateurs”.\textsuperscript{185} For the year 2000, the author mentions a situation in which 8.3\% of the Romanian NGOs controlled around 81\% of the total funds of the sector, whereas the majority of them have very low budgets.\textsuperscript{186} Similarly, Joanna Regulska points out that once Western funds started to enter Poland, it created “tensions between “the haves” and “the have nots””, between those NGOs enjoying foreign aid and those not receiving it.\textsuperscript{187}

This uneven distribution of financial assistance complicates further the accuracy of any assessment of the relationship between the growth of NGOs and foreign aid, as this aspect

\textsuperscript{183} Kevin F. F. Quigley, Ibid., p. 5.
\textsuperscript{184} Gautier Pirrote, Ibid., p. 118.
\textsuperscript{185} Ibid., p. 118.
\textsuperscript{186} Ibid., p. 119.
indicates that the Western financial help did not account equally for the emergence and development of all Romanian and Polish NGOs, as not all NGOs had access to this help.

Furthermore, a brief analysis of the literature on the relationship between the development of East-Central European NGOs and foreign financial assistance reveals a much more complex picture about the development of NGO sectors in this part of Europe. From this perspective, of paramount importance is the fact that Western assistance to the development of East-Central European NGOs consisted of much more than financial aid. As Mendelson and Glenn pointed out, Western help took also the form of “infrastructural assistance”, “human capital development”, as well as “information gathering and exchange”, “technical assistance and training”, “needs-assessments, conferences, seminars, fellowships, internships, exchanges”.

When considered from this new and much more complex light, Western assistance for the creation of an NGO sector appears to be much more difficult to evaluate within post-communist Romania and Poland since it encounters more dimensions than just the one of financial aid. Being a topic of inquiry way beyond the goal of the present research, it is still worth noting that once all these dimensions of foreign assistance are considered, one might find interesting and new valid explanations for the mushrooming of NGOs in the two analyzed countries.

Thus, the present thesis considers that when assessing from a qualitative point of view the impact of Western financial aid and technical assistance on the development of NGO sectors, there are many elements suggesting that there are serious reasons to believe that the growth of the NGO sectors owes much less to these Western efforts than it was actually expected. The actual impact of foreign funds was conditioned by the channels used by the donor community to reach Romania and Poland, by its unequal distribution over different

189 Daniel Siegel, Jenny Yancey, Ibid., pp. 53-55.
time periods and within the NGO community, as well as by the fact that Western assistance to NGOs was sometimes doubled by an in-kind help. The lack of available data about the way money come complicates further the picture, so that the present thesis considers that while taking Western financial assistance for a relevant explanatory variable any in-depth understanding of the numerical growth of the NGO sector in Romania and Poland presupposes the inquiry of other factors that could have contributed to its emergence. For this reason, the concluding part of the present thesis refers to other potential explanatory factors that in my view deserve further attention and research.
CONCLUSIONS

Starting from an interesting puzzle characterizing post-communist civil societies in Central and Eastern Europe, the present thesis has decided to take a closer look at the organizational structures lying behind the process of “mushrooming NGOs”, while also focusing on what is usually believed to be the main factor explaining it: the influx of Western financial assistance. Focusing on Romania and Poland during the 1990-2004/2007 period, the present study has tried on one hand to establish the main dimensions of the NGO sector, while on the other, it has tackled the relationship between the significant numerical increase of NGOs and the presence of Western funds aimed at developing civil societies in the newly emerged democracies. Paying close attention to both the already existing scholarly contributions on this topic and to its own empirical findings, the present thesis has argued that the fact that Romania and Poland experienced the same phenomenon of “mushrooming NGOs”, while experiencing different amounts of foreign assistance, is to be explained by the peculiarities of Western financial aid when channeled to the two countries. These specific features suggest that this aid constituted a necessary yet not a sufficient condition for the development of NGOs.

Developing an argumentative logic based on two steps of research, one focusing on the organizational structuring of the NGO sector and one on the relationship between these structures and the presence of Western funds, the present thesis has found several interesting empirical findings. First, that after 17 years of post-communism, Romania and Poland present a more or less similar structuring of their NGO sector in terms of main types of organizations and their numerical significance. In both countries service-providing NGOs involved in social services, health care or education represent a numerically significant group of NGOs, whereas those involved in “expressive activities” like advocacy or environmental issues appear to be less relevant in numerical terms. Looking only at numbers, it appears that post-communist
civil societies understood the development of the non-profit sector as a leverage through which the “failures of markets or government institutions to provide services” to citizens, can be corrected.190

However, a qualitative analysis of the two NGO sectors reveals that whereas in Poland, the most numerous nonprofit organizations also enjoy a “substantive” significance, their activities having a relatively high impact at the societal level. Reports have indicated that service-providing NGOs are both numerous and very active in providing social and health care services. In Romania, the present thesis discovered a discrepancy between the quantity and the quality of NGOs. Here, the most active and socially visible NGOs were the ones involved in advocacy and defense of human rights, although these organizations do not figure among the most numerous ones.

At this level of research another interesting finding came to light: in both countries NGOs are predominantly an urban phenomenon, characterizing usually the best developed regions in socio-economic terms. Interestingly, these empirical findings describe a similar picture of the two NGO sectors, in two otherwise very different countries when considered from the perspective of civil society traditions. For this reason, the thesis has engaged into the second step of analysis, trying to grasp what stood behind the development of these structural realities. It has focused thus on the presence of Western financial assistance for the development of an organizational basis of civil societies.

In this respect, its first finding was that in each country foreign funds had a very different significance. As reports indicated, in 2000, more than half of the revenues of Romanian NGOs were coming from Western donors, whereas in 2003, in Poland, only around 4.6% of the NGOs participating in the Klon/Jawor research declared that funds coming from

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foreign NGOs represented one of their funding sources, while only 4% declared that they had funds from foreign public assistance programs.

However, since part of the literature review suggested that quantitative analysis is not enough when dealing with such an intricate issue, the present study has considered necessary a qualitative assessment of foreign financial efforts. Thus, the present paper has engaged into an in-depth analysis of the main traits characterizing American and West European aid in the particular context of post-communist Romania and Poland, and found out several aspects strongly suggesting a critical reading of the actual role played by Western Funds in the development of NGOs.

The main findings of this qualitative approach shed light on a series of factors limiting the role of Western financial assistance. First, it was the very nature of the aid programs and the main characteristics of the donor community that determined the role of Western aid: in those cases where assistance was offered through the intermediary of private foundations, the amount of money was less significant although it was easier to access (the case of Poland). Where governmental aid programs were prominent, the grants were more substantial and more visible within the overall financial framework of NGOs (the case of Romania).

Second, the findings suggested an unequal distribution of foreign funds, as a result of which only a small number of NGOs actually benefited from this aid. What mattered in this distribution were the skills developed by NGOs in accessing foreign grants, as well as the strength of personal connections and networks developed between NGO elites and Western donors. Third, foreign aid was not constantly poured in the two countries but followed rather different phases and stages of assistance, in which the quantity and the nature of assistance varied as well.

All these aspects considered together indicate that Quigley was right when suggesting that the lack of appropriate knowledge on the part of the donor community about context-
specific situations of civil societies in East-Central Europe reduced the chances for developing successful NGOs as Western models did not fit specific Romanian and Polish circumstances. The Western lack of knowledge about local realities made possible the emergence of “a few favored cliques”\textsuperscript{191} of NGOs which were actually the only beneficiaries of funds.

Besides this issue of limiting factors, the present thesis has emphasized the overall technical difficulties encountered once you want to establish a clear cut causal relationship between foreign funds and the growth of NGOs, difficulties which require for a very cautious reading of the voices asserting a strong correlation between mushrooming NGOs and the influx of foreign money. Thus, the study has underlined the lack of well-kept financial records of funds, as well as the twofold quality of Western efforts to develop civil societies: financial aid was doubled by a type of assistance comprised of technical assistance, personnel training, conferences and consulting. Whereas the first aspect refers to the methodological obstacles preventing any strong statement about the causality relationship, the latter element gives the measure of the intricacy of the issue of Western assistance. This element adds more dimensions to the aforementioned causality relation and requires further caution in dealing with it.

All this being said, the present study concludes that when considered from a qualitative perspective, Western financial aid for Romanian and Polish NGOs does not represent a fully satisfactory explanatory variable for the mushrooming of NGOs. Therefore, it suggests that in order to have an in-depth explanation of what made this process possible, one has to move from the narrow issue of Western financial assistance to the broader picture of other structural and human agents factors that interacted with each other and made possible the outburst of NGOs. Although the aim of the present thesis was to focus only on the specific

issue of foreign funds, I consider necessary a brief yet hopefully comprehensive list of several other factors that played a role within this process. The aim of this task is first to clearly emphasize the overall complexity of the problem, second to mark once more the place of the present research within the overall topic, and third to point out guide lines for further research.

As suggested within the theoretical chapter of the thesis, two main categories of factors can be identified as having influence over the numerical development of NGOs: structural and human agency factors. Whereas in the first category one can find the legal environment regulating NGOs, the presence of state programs to develop an organizational basis of civil society, and church efforts to help the provision social services, in the second category one can account for the presence of professional initiatives of different professional segments. Attempting to complete the view already presented about the explanatory variables, while also aiming to provide further lines of research, the following lines briefly refer to the significance of these other factors in the development of Romanian and Polish NGOs.

Thus, a short look at the legal environment of setting up NGOs and regulating their activities in both Romania and Poland suggests that further attention should be paid to examine if the numerical growth organizations benefited from the presence of relatively easy registration procedures and a legal settlement in which a tax-favorable treatment was promoted by the state towards the NGO sector. In this respect, the mushrooming of NGOs might also be the consequence of NGO-friendly registration procedures or of legal provisions encouraging the setting up of nonprofit establishments for the disguise of business-like and profit-making activities. According to Sandra Pralong this might well be true for Romania, where “shrewd entrepreneurs took advantage of tax loopholes benefiting nonprofit organization to disguise profit-making import-export businesses as NGOs”.

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Second, official state programs aimed at the development of civil societies might also serve as an explanatory factor for the growth of NGOs. Further research could account for the number and type of governmental programs of either helping the creation of new NGOs or developing partnership action programs with these representatives of civil society.

Third, although the present study decided not to take into account organizations labeled as “religious NGOs”, it might be interesting to search for the way the efforts of the Catholic and Orthodox Churches provided social services for the poor and the needy, leading to the emergence of service providing NGOs.

Last but not least, the professional interests of particular professional groups targeting NGOs as a manner to use or develop their skills should also be taken into account when explaining the development of post-communist NGO sectors. In Poland this might be the case of what W. Sokolowski described as “a selected group of Polish service professional” to create “nonprofit service organizations” after 1989. This might represent an explanation at least for part of the service delivery NGOs. As for Romania, professional interests of what Sandra Pralong identified as “private civil servants” or “NGO bureaucrats” might also explain the creation of new NGOs, as their emergence was widely perceived as equaling new career opportunities for this professional segment.

All these being said, it appears that the thought-provoking phenomenon of mushrooming NGOs within post-communist civil societies deserves further and more in-depth attention. The mission of the present study was only to shed some light on its organizational realities and on one of the great myths of post-communist civil societies: that at least their NGO sectors owe their existence to Western financial assistance only. Far from its initial objectives in terms of promoting democracy through the intermediary of NGOs, this

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Western assistance appears to be an important, necessary yet not sufficient factor that can provide a fully satisfactory explanatory framework for what scholars identified as a “revival of civil societies” in post-communist Romania and Poland.
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