

Promoting Democracy in the Western Balkans after the Global Financial Crisis: Good Intentions Badly Executed?

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Abstract

International donors got involved in the Western Balkans during the last two decades, mainly through civil society organisations (CSOs), with the initial aim of providing emergency relief, and then to promote democracy and broadly support the Europeanization agenda. The intention has also been to contribute to the spread of western values and norms, as well as advance notions of 'good governance' and state reform. However, most local CSOs in receipt of such assistance have not developed high capacities and remain dependent on donor funding. They are also vulnerable to political pressures and have become detached from their local constituencies. Through a survey of donors that have operated across the region, this article seeks to examine why the long-term provision of aid and attempts to promote democracy via civil society have seemingly not delivered a sufficient dividend. What is examined here is whether donor conceptualization of 'civil society development' is the critical variable determining success. If we acknowledge that how donors view civil society and its contribution to democracy and state building is the basis from which aid is provided, projects are supported, and objectives set and measured, then better understanding the donors' perspective is an important basis for trying to understand limited success. This, combined with poor co-ordination and collaboration amongst donors and between them and local stakeholders, arguably compounds the problem. The article concludes that although it has long been recognised that donor strategies are contentious and determine the impact of assistance, the economic crisis is exerting a significant impact in terms of priorities, exit strategies and co-ordination, the outcome of which is by no means certain.

Keywords

civil society; global crisis; donors; Western Balkans; capacity building

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Introduction: Donors in the Western Balkans – From Emergency Aid to Democracy Promotion

International donor involvement in the Western Balkans¹ began two decades ago in response to the rapid and often violent transitions in the region from authoritarian socialist regimes to states gradually developing political and economic systems similar to their neighbours in Western Europe. As was the case elsewhere across Eastern Europe and the former USSR, much of the aid was channelled through *civil society* (or what was deemed to represent a fledgling civil society in countries with little or no experience of such activity or its institutions). International donors became involved in an attempt to consolidate as well as induce change, but also to spread western values and facilitate the integration of the region within European and global structures. During this period there have been numerous attempts to co-ordinate the activities of the numerous international donor agencies, private foundations and bi-lateral donors that operate in the region, with the aim both of maximizing the value of aid, and of ensuring sustainable exit strategies and long-term impact.

With donor activities increasingly directed to other parts of the world (in particular the Middle East and north Africa), and the global financial crisis triggering the most profound rationalization of donor funding and priorities, democracy promotion and the development of civil society in the Western Balkans is under immense pressure and scrutiny, both for its predictive power and in terms of 'lessons to be learnt.' At a practical level, the limited and much reduced funds that remain available to the region have to be used carefully and targeted effectively. At this critical time, as never before, it is important to take stock of the past and current strategies: to review the practices and priorities of international donors, identify what has worked and what has failed, and offer recommendations for effective leadership and deployment in the (long) period leading up to EU enlargement. Donors, investors, local civil society activists, as well as the academic community each require strategies for improving the current situation in order to foster the long-term sustainability of the civil society sector in the Western Balkans.

¹⁾ Used here to refer to Albania and the countries that were formerly part of Yugoslavia – though not Slovenia, which has been an EU member since 2004.

This research does not set out to measure or evaluate the impact of donor assistance or the performance of recipient CSOs. Rather, the aim here is to examine the substance and framing of the assistance being provided and to tentatively posit that this is potentially an important independent variable that has been hitherto under-researched within the existing literature. Based on the assertion that how donors view civil society and its contribution to democracy is likely to determine how aid is provided, which type of projects are supported, and the objectives set and measured, then better understanding the donors' perspective is an important basis for trying to understand limited success, and for potentially remedying past failures. The research is also interested in the behavior of donors, in particular their interaction with each other and their modes of communication and co-operation. Poor co-ordination has been identified in the existing literature as a key factor limiting the overall impact of external aid in the Balkans and elsewhere (Riddell 2006).

Thus, where this article seeks to extend and develop existing knowledge of civil society development and donor engagement is by focusing much more closely on the perceptions and behavior of donors, rather than assessing impact or measuring the capacities of recipients of aid. In other words, this research is primarily *input*-rather than *output*-focused.

A Conceptual Framework for Studying Donor Support for Civil Society

The existing literature on civil society development and donor engagement presents a difficult conundrum: civil society needs to be supported, but the success of donor-driven initiatives to do so have realised limited success. We are reminded, by a host of scholars researching the post-communist region from within various academic disciplines (see in particular Mandel 2002; Wedel 2001; Cellarius and Staddon 2002; Sampson 1996, Quigley 2000), that despite the extensive efforts of foreign donors, individual participation and involvement in civic associations is found to be low and in some cases lower than in post-authoritarian regimes elsewhere in the world (Petrova and Tarrow 2007: 76). Study after study has concluded that post-socialist civil society is weak (Howard 2003; Crotty 2003; Rose 2001; Raiser, Haerpfer, Nowotny and Wallace 2001).

Not surprisingly, perhaps, most multi-lateral and bi-lateral donor agencies intent on supporting progressive change and 'transition' continue to

channel their assistance through NGOs or CSOs, despite evidence of limited success and modest progress. This is in large part a consequence of the influence of USAID and other bi-lateral American donors who have, since the second part of the 1990s if not before, streamed the bulk of their development aid through American-style advocacy NGOs. Whilst the impact and extent of such aid has tended to be exaggerated (Mendelson and Glenn 2002), professional NGOs/CSOs competing for externally funded donor projects have become a ubiquitous and almost generic feature of post-socialism. The overall momentum is extensive and, for critics, pervasive (Quigley 2000; Wedel 2001). The tier of professional organisations masquerading as civil society in urban locations across the post-socialist world, and the donors on which they depend for their revenue, have been criticised for wasting resources, duplicating projects and initiatives, failing to engage with communities and local campaign agendas, and generally being temporary constructions that are neither accountable, legitimate nor particularly sustainable (Sampson 2002).

Although the strategy of supporting NGOs is now eponymous with international donor aid, it was not ever thus. In the early 1990s, donors initially provided institutional support for political party development and reform of state institutions. The shift towards civil society development coincided with the Clinton presidency and occurred in large part due to the limited success and complications associated with other forms of assistance and support (Ottaway and Carothers 2000). Channelling aid through NGOs and prioritizing civil society as a development strategy has considerable appeal for donors: Apart from pandering to liberal and neo-liberal concerns about checking the power of the state and holding governing elites to account, it is relatively cost-effective; NGOs often deliver projects and services cheaply and efficiently, and they tend to be non-bureaucratic and highly professional in their operations. Most importantly, not only does such intervention engender broad-based support from across the political spectrum within donor states, it also enables donors to circumvent resistant political elites (Carothers 2009).

It is this aspect of civil society development assistance that has courted most controversy: what purports to be politically significant assistance, designed to drive consolidation and genuine regime change, with lofty ambitions and loaded with normative overtones ('democracy,' 'civil society,' citizen participation etc.) in practice seems to function as apolitical technical support. By side-stepping political elites and prioritizing support for 'soft' institutions of power (i.e. NGOs) rather than driving institutional

reform and challenging ‘hard’ power (corrupt elites, transnational networks resistant to democratic reform and liberalization), donors have been criticised for ignoring critical disparities in power relations. Carothers argues that donors’ tendency to purport that it is indeed possible to bring about change and improvement “without grappling with the deep-seated interests of the actors involved” (2006: 10) is not just a tacit admission of the failure of earlier interventions, but is also plainly wrong in its conviction. In other words, at worst democracy promotion via civil society ignores structural realities, fails to address the causes of corruption, anti-democratic practices and misuse of power; at best, international donor efforts resort to framing their intervention in terms of apolitical technical assistance and measuring the impact in the context of the completion of discrete projects rather than an assessment of fundamental shifts in power, the formation of new institutions, or the behaviour of elites (Crawford 2003a; 2003b).

The problem for many commentators is precisely this rather audacious conflation of democratic civil society with externally funded professional NGOs. Ottaway and Carothers contend that the NGOs favoured by foreign donors, including the EU, are “set up along the lines of advocacy NGOs in the United States [...] with designated management, full-time staff, an office, and a charter or statement of mission” (2000: 11). Such NGOs will engage governments through US-style advocacy and lobbying, but will not themselves seek political office, nor necessarily become embroiled in local conflicts and campaign agendas; they will operate above the cut and thrust of party politics and above indigenous civil society networks, engaging with the latter only incidentally. What this essentially creates is a sense of donor-funded NGOs pursuing a lesser public interest role, committed to civic values rather than divisive party politics or the contentious politics of ‘local’ civil society. The function of such non-partisan organizations takes on additional resonance in post-conflict situations, in which NGOs act as a counterbalance to nationalist-ridden party politics (Fagan 2005; McMahon 2007). Whilst the roles played by NGOs in such contexts are legitimized by the international community in terms of ‘civil society,’ these semi-professional organizations lack political legitimacy or authority, and act primarily as service providers in lieu of the market and the state and as distributors and conduits of emergency aid (Fagan 2008).

However plausible this critique may seem, it runs the risk of seriously obfuscating the added value that professional NGOs deliver in post-authoritarian and regime change contexts. Critics have tended to place far too much

emphasis on the participatory or “democratic” deficit, and to ignore the potential “behind the scenes” roles that NGOs play in fermenting progressive change and as conduits for new policy formation. The commentary is based on an unrealistic notion of what civil society and NGOs themselves can be expected to achieve, as well as being too dismissive of what scholars see as “apolitical” activities. Although NGOs are often ostensibly involved in service provision and do not appear to operate in the fray of politics, their community development and education-related activities can help stimulate participation and trigger the emergence of coalitions for change. Thus, rather than judging NGOs solely in terms of their success in mobilizing citizens and directly challenging political elites, it is important to value what Petrova and Tarrow term their ‘transactional activism,’ which they define as “the ties -enduring and temporary- among organized non-state actors and between them and political parties, power holders, and other institutions” (2007: 79). The extent to which NGOs are capable of interacting with state and other non-state actors in the formulation of new policies and the transformation of power is rarely subjected to significant analysis. Whilst the new embryonic NGOs may not be terribly successful in generating participation and mobilizing support in the short term, they may function as the nuclei of new epistemic communities, or sit at the epicentre of new pro-change coalitions; their often undisclosed agency in policy debates, however small and apparently insignificant, needs to be at least anticipated, not least because it may ultimately be laying the foundations for civic participation and the legitimation of NGOs in the future (Bruszt and Vedres 2009).

Such an alternative perspective on the role of NGO/CSOs is all the more pertinent when the funds that apparently sustain them are being rationalised and may even be withdrawn. We are thus forced to consider the counterfactual: what would the post-socialist and post-conflict states of the region be like *without* these donor-funded professional organisations? Would progress towards EU accession be even slower? Would nationalist elites be even less willing to cordon power and engage with state-market reform? More importantly, would the international community have simply disengaged from this region after the end of violence, and how would this have impacted on the reintegration of the region into transnational and global networks? In other words, if not funding NGOs, what presence, if any, would the international community have had?

Research Methodology and Design

The research sets out to address the following core questions:

- (i) How do the donors that operate across the Western Balkans understand ‘civil society development’?
- (ii) How do donors view the strengths and weaknesses of the civil society sector, and the impact of their interventions?
- (iii) What do donors prioritize in terms of support and assistance?
- (iv) What are the preferred mechanisms for delivering support?
- (v) Does co-ordination take place, informally if not formally?

Since there is no reliable, up-to-date and complete directory of international donors involved in the region, the first task was to establish a database of multilateral, bilateral and private foundations active in the region during the 2010–2011 financial year.² This was compiled from various existing lists and databases maintained by the large donors and international agencies operating regionally and in individual countries.

In terms of identifying and categorising potential respondents, the first distinction to be made was between those donors focusing on specific countries, and those engaged across the region. Donors were deemed to be focusing on a particular country if there was a country-based office, or a country ‘desk’ within the organisation, and were deemed to be operating ‘regionally’ if there was one office covering the whole region, either within or outside the Western Balkans. Supra-national or intergovernmental institutions were defined to be *multilateral* (e.g. World Bank, UN, EU); and governmental development agencies and embassies were defined as *bilateral* (e.g. SIDA, Dutch Embassy in Skopje). For the purposes of this research, *private* foundations were defined either as trusts, charities or endowments (e.g. German Marshall Fund).

As part of an initial scoping exercise, a questionnaire³ was created and distributed to 62 multilateral agencies, 57 agencies that were bilateral development agencies, 78 private foundations, and two pooled donors (i.e. the Balkan Trust for Democracy and the European Fund for the

² This was undertaken by the *Balkan Civil Society Development Network* (BCSDN), my research partner in the region.

³ <<http://www.ecobhas.qmul.ac.uk/BCSDN/donorquestionnairebtdproject.html>>.

Balkans). For the final list of agencies contacted, the initial database was narrowed to 71 priority donors, of which there were 32 completed questionnaires. There were 16 additional responses from other organisations contacted by the research team, bringing the total number of responses to 48 (see full list in Annex 1) – which is a response rate of 37 percent. However, the sample included private, bilateral, and multilateral donors active in the countries targeted by the research, which provides a good spread of respondents for the analysis. The final response rate reflects the following:

- Several organisations claiming that they did not have the sufficient time and resources to complete the survey;
- private donors and two multi-lateral donors indicating that although they were involved in civil society development, they no longer did so in the Western Balkans;
- organisations contacting the research team to indicate that they would not participate in the study since their activities were based around certain programmatic areas, or that they did not consider their organisation to be a ‘donor’ or to be engaged in donor activities.

A final observation about the data collection process is that it was difficult to reconstruct any characteristics of the civil society development strategies of donor organisations that had ceased their operations, even if the departure was relatively recent (i.e. within the previous 12 months). For example, we were unable to obtain any information from the GTZ (the bilateral German development agency) office in Albania, even though it had closed only in January 2011. Similarly, DFID (the UK bilateral development agency) – which was a key donor in Bosnia in the immediate aftermath of the war, as well as across the region generally – has scaled back its operations significantly, to the extent that it only has one functioning office in the region (Pristina). Similarly, it proved very difficult to access precise information on activities and the substantive nature of DFID activities, despite their prominence in the region since the mid-1990s. It is also important to explain why there is an absence of data on Croatia. As a result of impending EU membership, progress in political and social development, and donor priorities having shifted to other parts of the world, many of the multilateral donors that were active in the country until recently have now left, and those that remain are scaling down their activities dramatically. It was therefore decided not to include Croatia in the study, other than as part of regional initiatives by donors operating across the Western Balkans.

Although there were responses from donors active within each country in the region, response rates varied significantly and there was no stratification by country, making it difficult to undertake any cross-country comparisons.

For the next phase of the research, and in light of the aforementioned difficulties with collecting survey data and with response rates, the research team decided to identify and focus on a number of 'priority' multilateral donors: UNDP, OSCE, DG Enlargement (including the EU Delegation offices in each country), and the World Bank. The priority donors also included the bilateral development agencies that have been most visible in the region, including USAID (USA), SIDA (Sweden), and GTZ (Germany). There were also a number of high-profile private foundations on the priority list, including OSI/OSF (Open Society Institute/Foundation). The data from the responses will be analysed in the next section.

The questionnaire included several open-ended items so that narrative data were also collected from each of the respondents regarding their civil society development practices.

Preliminary Survey Results

The 48 respondents were based in each of the countries in the region, as well as offices in EU member states and the US. Not surprisingly, the start of the involvement for most of the local offices and regional programmes in the Western Balkans began some time between 1991 and 1996 for most donor organisations that completed the survey, which coincides with the dissolution of Yugoslavia and the various conflicts in the region during this time.

For the reasons outlined above, there were no responses from Croatia. There were only two responses for Kosovo (both major bilateral donors), two for Montenegro (both major multi-lateral donors), five for Macedonia, six for Serbia, and seven each for Bosnia-Herzegovina and Albania. The remainder of the responses ($n = 19$) came from offices that focused more broadly on the region. The results are shown in Table A: Of the respondents, 19 were private foundations, 16 were bilateral development agencies, and the remaining 13 were international or multi-lateral organisations.

There is quite a strong regional consensus on the identification of the single most important donor in the Western Balkans: of the 45 responses to the question of ranking donors, 35 identified either the European Commission or European Union as most important. Interestingly, four of the

Table A. Number of respondents by country (n = 48).

Country	Freq.	percent
Albania	7	14.58
Bosnia-Herzegovina	7	14.58
Kosovo	2	4.17
Macedonia	5	10.42
Montenegro	2	4.17
Serbia	6	12.50
Regional	19	39.58

respondents, including both bilateral donor country offices in Kosovo, replied that USAID was the most important donor. However, three of these respondents then placed the EC/EU as the second-most important donor. Seventeen of the responses identified USAID or other US governmental bilateral donors as the second-most important donor in the region.

(i) *Types of funding provided*

As highlighted in previous studies on donor activities in the Western Balkans and donor-driven development more generally, international donors providing financial assistance tend to do so using competitive calls for proposals for project grants typically lasting 12–24 months. Although several commentaries (e.g. Wedel 2001) have long indicated that such strategies are ineffective and create project administration capacities instead of competencies directly related to long-term civil society development, over 80 percent of the respondents to the questionnaire reported that they provide short-term project grants. The second most prevalent type of financial assistance was regional/cross-national funding, which, in a region of new, often weak and fragile states with porous borders, suggests a commitment on behalf of donors to build transnational ties and to secure knowledge networks and capacities across the region rather than just within individual states. It also perhaps suggests that donors recognise the importance of building *transactional* activism capacities. The term *transactional* is used as defined by Petrova and Tarrow (2007: 79), referring to building ‘ties—enduring and temporary— among organised non-state actors and between them and political parties, power holders, and other institutions’.

Nearly 30 percent of the sample funded service contracts and tenders (though it was not indicated whether this assistance was targeting private

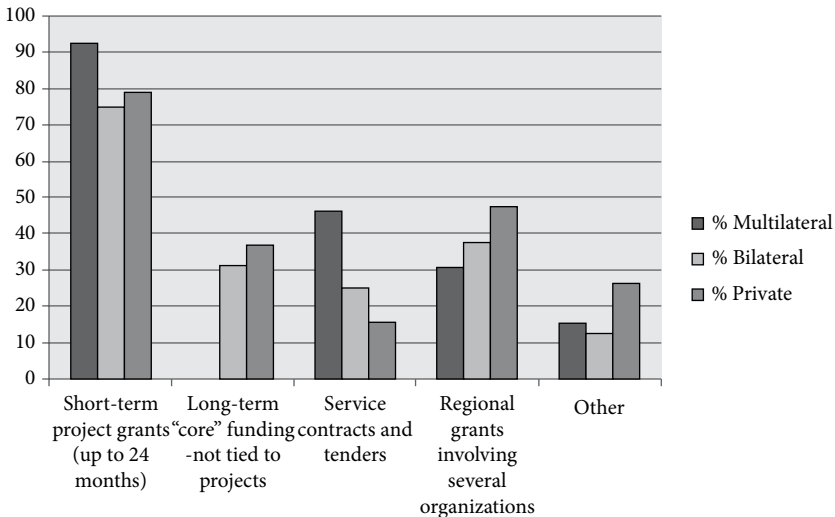
companies or CSOs). Only 26 percent of the respondents provided long-term core funding to recipients not tied to particular projects, or what was described as ‘programme funding’ for an extended period (e.g. five years). Of additional responses supplied by donors that were not included in the survey question, one organisation provided CSOs with funding as implementing partners for the donor’s regional projects; another channelled funds through various CSOs as a re-granting mechanism (i.e. trained the organisations to act as local donors).

If the sample is divided by donor type (i.e. whether the respondent is from a multilateral, bilateral or private agency), the lack of core funding, particularly from multilateral donors, is evident, whilst around one-third of the other donor types provided financial assistance not linked to specific projects. On the other hand, nearly half of the multilateral respondents offered service contracts, which was significantly higher than the proportion for private and bilateral donors. The results are presented in Figure B.

(ii) *Activities and funding strategies*

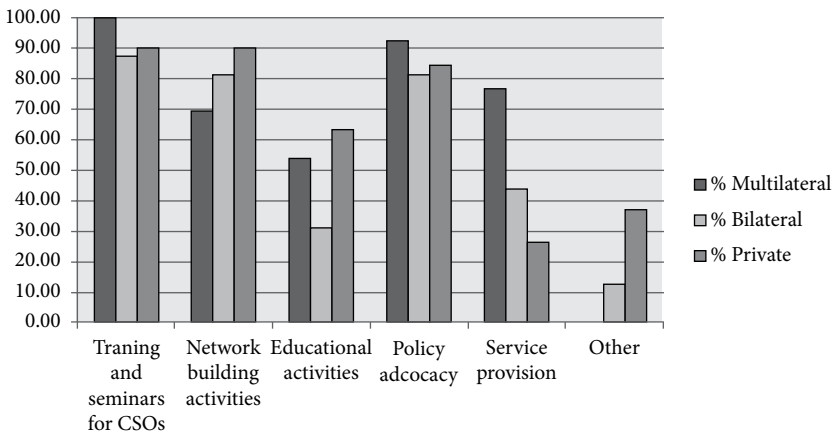
The focus on strategies to build networking or transactional capacities is also clearly evident in responses regarding the types of activities that

Figure B. What types of funding do you provide (by donor type)?



NOTE: Respondents could select as many as they felt were relevant.

Figure C. Which of the following activities have you funded (by donor type)?



NOTE: Respondents could select as many as they felt were relevant. (n = 48)

donors support. Over 80 percent of the respondents were funding network building activities, and over 85 percent provided support for activities relating to building stronger engagement between CSOs and governmental institutions, i.e. policy advocacy. However, the most popular activity funded by donors remains more basic, fundamental training and capacity building for CSOs in the target countries. Some of the respondents also identified “other” areas, such as media training, cultural activities, and watchdog activities.

In line with the findings in Figure B, multilateral donors were most likely to fund activities relating to service provision compared to their bilateral and private donor counterparts. Interestingly, bilateral donor respondents did not support educational activities as much as other types of donors. Amongst the different respondent types (bilateral, multilateral and private foundations) there were quite similar levels of support for the three other categories (training, networking, and policy advocacy). The results are shown in Figure C.

(iii) *Co-operation and interaction between donors*

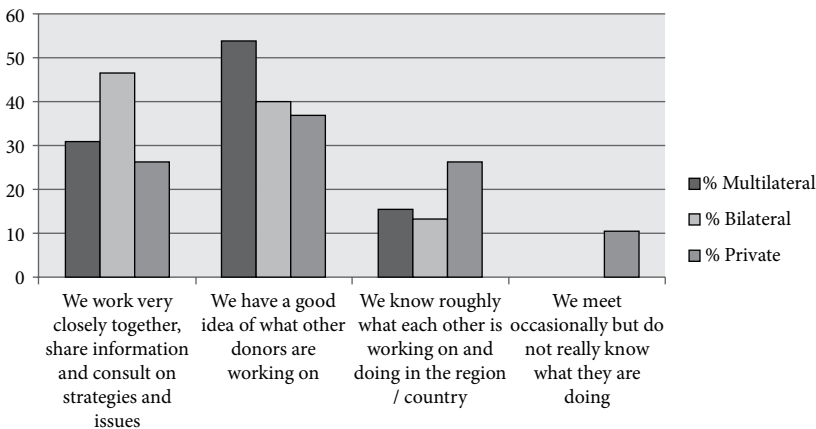
Co-operation and networking between and amongst donors occurs: Approximately 60 percent of respondents have regular contact with other donors, although the proportion of donors reporting that they are in

contact with others, but not regularly, was high (40 percent). The proportion of donors who do not co-operate with other agencies is reassuringly very small (less than 2 percent); those that co-operate on a daily basis is also small (approximately 4 percent).

Overall, respondents indicated a moderate amount of interaction with other donors working on the Western Balkans, with none admitting that they have ‘no idea what other donors are doing.’ However, only 34 percent work closely with other donors, whilst a majority of respondents (over 60 percent) have some knowledge about the activities of other donors in the country and in the region, but do not have a direct, structured relationship.

If the data are now examined for the different types of donors, the proportion in the sample working closely with other donors is slightly higher for bilateral donors, whereas a slightly higher proportion of multilateral donors have a good idea of what others are doing. This may be evidence of differences between multilateral and bilateral donors in the way each views and implements inter-donor coordination (multilaterals are likely to find it easier to work and co-operate with other multilaterals, whereas bilateral donors are wedded to states and national budgets, and therefore less likely to engage with others). Private donors, compared with governmental and multilateral institutions, have less overall capacity, and higher proportions of these respondents either know only roughly, or do not know at all the activities of other donors. The results are shown in Figure D.

Figure D. How would you describe your relationship with other donors (by donor type)? (n = 47)



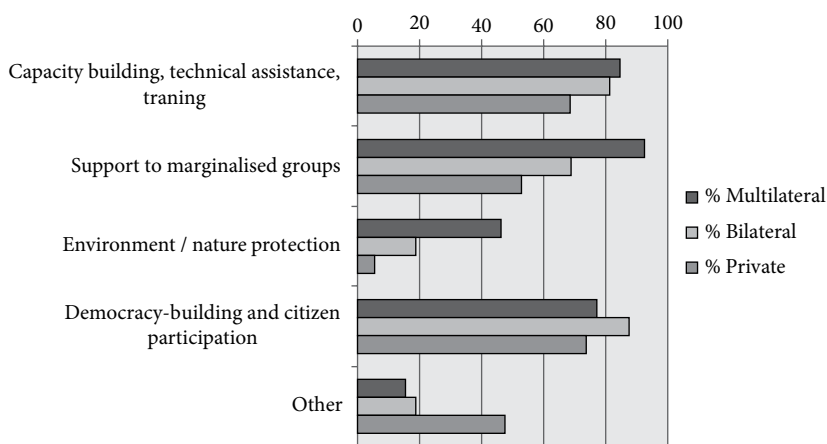
Perceptions about inter-donor co-ordination also seem to vary between representatives from regional offices compared to those working at the country level: Amongst respondents in the study from country offices, a higher proportion believed that donors work closely together, compared to their counterparts working in regional donor offices, who have a good idea of what others are doing, but not how the interaction takes place. This may be explained in terms of the former's proximity to the delivery of projects on the ground and the day-to-day realities of working in a particular country, compared to strategic planning across the region.

(iv) *Funding priorities*

Regarding the specific topics that were prioritized by the donors that responded to the questionnaire, most view the development of capacities through training and technical assistance as being of paramount importance. Democracy building and citizen participation receive a similar level of focus as funding priorities. Due to the compound legacies of conflict (with the exception of Albania or Macedonia) and the authoritarian past, the topic of marginalised groups (including displaced persons) was also indicated by two-thirds of the sample as a main funding priority. Respondents also identified other priorities not included in the survey question, such as local development (including rural development), justice, gender/women's issues, and transnational co-operation. What this indicates is that donors continue to address fundamental issues of social and economic reconstruction, whilst post-materialist concerns, such as the environment and nature protection, are of much less importance.

If these priorities are now divided by donor type, multilateral respondents supported environmental protection more than other types of donors. Private foundations seem to focus slightly less on capacity building compared to the others, which could be a function of lower capacities to implement such programmes. Although the level of support for marginalised groups as a priority seems higher for multilateral respondents, many of the 'other' responses (listed by bilateral and private foundations) mentioned women's issues and justice, and so the difference between the three types of donors is not quite as pronounced as it appears. The results are shown in Figure E.

Figure E. What are your main funding priorities? (Divided by donor type)



NOTE: Respondents could select as many as they felt were relevant. (n = 48)

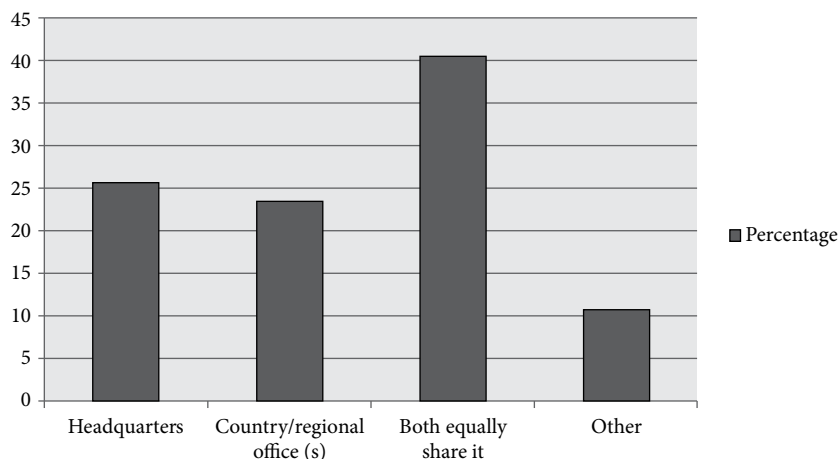
(v) Agenda setting, co-ordination and planning

Donor priorities are determined, for the most part, by offices located in the region, or through a dialogue between the headquarters outside the Western Balkans and the country office. Of the five respondents who indicated other mechanisms for determining development strategies, three rely on a board or steering committee; one respondent mentioned a joint decision-making process between the donor and local partners; and one donor programme office based in the region sets priorities with the headquarters of the bilateral development agency. Just over 25 percent of the respondents revealed that priorities are set by the head office. The results are presented in Figure F.

If the responses are now divided by donor type, priorities are developed by the country office in similar proportions. There are differences with the private foundations, but this could be due to the fact that many of the foundations that participated in the survey have headquarters offices outside the region, but do not necessarily have country offices.

Country-focused and regional respondents answered differently regarding where priorities are set for civil society development. Not surprisingly, perhaps, respondents from regional offices believed that the headquarters/

Figure F. Who leads the development of priorities and funding in your donor organization? (n = 47)



regional office set the priorities more often than the country offices. However, by contrast, officials working at the country offices and country desks who replied to the survey largely believed that the agenda for civil society was set evenly by regional/headquarter offices and the country offices/desks. Regional offices exist, by and large, to plan and develop regional strategies.

(vi) *Donors and CSOs – patterns of interaction and perceptions*

The analysis will now turn to the interaction between the international donor organisations and local CSOs. There were only three respondents who said that civil society was effective in the region, and no responses recording that civil society is non-existent. The remainder of the responses preferred more intermediate options about the state of civil society: the most popular response (73 percent) was that civil society was donor-dependent, but that it can represent interests; more worryingly, nearly two-thirds of the survey responses (63 percent) noted that civil society is unevenly developed and unsustainable. Of the respondents that provided “other” responses, two mentioned that the civil society sector is divided and politicized; another response underlined that the civil society sector is

constantly evolving and beginning to engage with governmental institutions in some places; and one respondent mentioned that the situation varies significantly amongst countries in the region.

Although none of the respondents chose the most pessimistic option, over a quarter of the private donor respondents believed that civil society is very weak, with lower proportions for the other types of donors. However, private foundation respondents were generally more positive than other types of donors, with nearly 90 percent answering that ‘civil society requires support from donors, but is able to function and represent interests’, and around 16 percent agreeing that ‘civil society is effective.’

This may be explained by the fact that private foundations (as opposed to multilateral or bilateral donors) deliver relatively modest amounts of funding to a small pool of local CSOs, whom they get to know well and work with closely, usually over a longer period of time; whereas they may know the CSOs with whom they work particularly well, they may have a less extensive knowledge of the civil society at large. Moreover, private foundations usually are the only donors offering longer-term core funding (see Figure B2 above), and this is perhaps key to understanding why they identify uneven development and express a concern about the sustainability of civil society (which relies heavily on the core funding they provide), but equally acknowledge that civil society is able to ‘function and represent interests’. The results are shown in Table G.

Regarding the CSOs within these countries (as opposed to civil society generally), almost all (90 percent) of the donors that participated in the research noted that local organisations were dependent on donors. Half of the donors said that CSOs function but lack capacity, whilst over 60 percent had a more positive evaluation, believing that CSOs are developing and gaining influence. Donors providing “other” responses also noted that CSOs needed to spend more time fostering relationships with local communities and governmental institutions instead of pursuing donor priorities. However, it is difficult to make generalizations across the region: several respondents also wrote that the situation varies greatly in the region, depending on the donor presence and CSO-governmental relations. The results are presented in Figure J.

Private donors in the survey sample also seem more positive towards CSOs, with nearly a quarter of respondents believing that local CSOs are effective and have capacity. The responses to this question were consistent across the options, except for a lower proportion of bilateral

Table G. How would you describe civil society in the region? (Divided by donor type)

	Multilateral		Bilateral		Private	
	n	percent	n	percent	n	percent
Civil society does not exist or function in the country/region in which we operate	0	0.00	0	0.00	0	0.00
Civil society exists, but is very weak and undeveloped	1	7.69	1	6.25	5	26.32
Civil society exists, but is unevenly developed and unsustainable	8	61.54	8	50.00	14	73.68
Civil society is weak but becoming stronger	5	38.46	7	43.75	7	36.84
Civil society requires support from donors, but is able to function and represent interests	9	69.23	9	56.25	17	89.47
Civil society is effective	0	0.00	0	0.00	3	15.79
Other	2	15.38	2	12.50	2	10.53

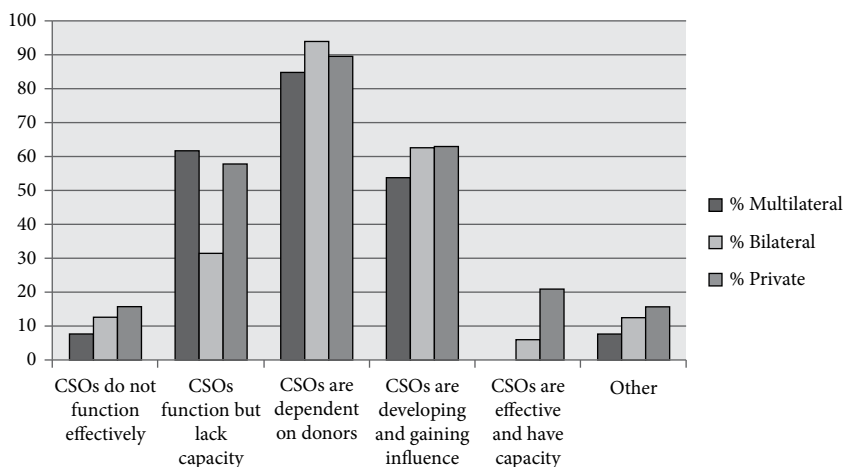
NOTE: Respondents could select as many as they felt were relevant (n = 48)

donor respondents believing that CSOs function but lack capacity compared to multilateral and private donors. The results are shown in Figure H.

Respondents to the questionnaire refrained from giving overly negative opinions about their interaction with local CSO partners in the Western Balkans, with none of the responses reflecting opinions about ‘a lot of work remaining to be done,’ lack of effective co-operation, or contemplation of leaving the country/region. Of the remaining options, donors in the sample did indicate that there was a partnership, but less than 30 percent said that CSOs are proactive and take initiative in designing/proposing activities. In other words, there may be a partnership, but it is one that is still led largely by the international agencies. The results are presented in Table I.

If the responses are divided by donor type, private foundation respondents to the questionnaire see their interaction with local CSOs more as a partnership, with 68 percent choosing this option, versus lower percentages for the other types of donors. Again, this may well be explained in

Figure H. How would you evaluate CSOs in the country / region? (Divided by donor type)



NOTE: Respondents could select as many as they felt were relevant (n = 48).

Table I. How would you describe your relationship with the organisations you support? (n = 47)

Response	Freq	percent
It is a partnership - they appreciate our assistance and we work well together	26	55.32
They are learning to work in partnership with us and to deliver what we want and expect	7	14.89
They take initiative in proposing projects/activities which we then support	14	29.79
There is still a lot of work to be done	0	0.00
We do not co-operate effectively	0	0.00
We are contemplating ending our involvement	0	0.00

terms of private foundations having a closer and longer-term interaction with a narrow band of CSOs. However, private donors also seemed to indicate that their local partners were not proactive in initiating proposals, whilst 40 percent of the respondents from bilateral donors believed that local CSOs shaped their projects and activities.

There was also an observed difference in perceptions about local CSOs between country-based donors and those working at a regional level. Only one response from the latter category believed that local CSOs are

learning to work in partnership, whilst nearly a quarter of the replies from country offices/desks selected this option. Again, this apparent discrepancy in perceptions may be explained in terms of those donors working within individual countries engaging more closely with local CSO networks and having a more nuanced sense of emerging partnerships.

Nonetheless, the donors seem largely to have a positive opinion overall about the capacities of the CSOs with which they work. Less than 30 per cent of the respondents worked with small organisations with low levels of capacity, whilst over three-quarters of the donors that participated in the research reported that they worked with small and medium-sized organisations (one of the 'other' responses wrote that there are also small organisations with developing expertise and capacities), and over 60 per cent of the respondents wrote that the local CSOs with which they worked are professional.

These findings can suggest one of two things: either that the existing scholarly assessment of local CSOs in the Western Balkans has been overly pessimistic and that the level of capacities is not as bad as widely reported, or that only CSOs with developed capacities interact with international donors. In other words, the smaller local organisations with low or moderate capacities are either excluded from the orbit of donor funding, or are increasingly marginalized by the process of allocation.

There is some evidence that the major donors in the region tend to build and bolster organisations with existing capacities, instead of supporting smaller CSOs. This is evidenced by the fact that only 15 per cent of the multilateral respondents worked with smaller CSOs, whilst over one-third of the private foundation donors in the sample did so. But it is not necessarily the case that donors only work with the most successful CSOs. Indeed, the interview data reveal that multilateral donors seem to work less with organisations that lead networks, favouring instead a tier of mid-ranking successful 'client' organisations that succeed in obtaining project funding in each project round, but remain dependent on donors. This corroborates the earlier finding that multilateral donors, more than other types of donors, are more inclined to provide funding for the provision of services rather than political advocacy. All of the private foundation donors in the questionnaire sample worked with medium-sized organisations, and nearly 60 per cent worked with CSOs that led networks. This suggests that the private foundations focus more on working with local CSOs and CSO networks compared to their multilateral and bilateral counterparts. This

Figure J. How would you describe the organisation(s) with whom you work? (Divided by donor type)



NOTE: Respondents could select as many as they felt were relevant.

may mean that governmental and multilateral agencies neglect smaller CSOs and networks, or more positively, that the approaches by private and other types of donors in the Western Balkans complement each other. The results are shown in Figure J.

Unsurprisingly, as with the other questions in the survey, respondents did not select the most negative or pessimistic options. For donor impact, there were no responses for the option that their involvement has been 'a waste of time and money', and only one donor replied that donors had not helped civil society development. On the other hand, 39 percent of the participants believed that civil society would not exist without donors, though 35 percent of the respondents believed that support could have been used more effectively. Nearly one-third of the respondents had a positive view of donor impact, i.e. that funding created professional CSOs and that donor support has created sustainable civil society. The most popular answers were more cautiously positive, with 67 percent of respondents replying that donors had strengthened civil society on the whole and that donors have created leading CSOs (though not throughout the sector). Similarly, participants in the survey replied that donors had created professional individuals in civil society, but had not developed the whole sector. The results are presented in Table K.

Table K. How would you describe the impact of donor funding in the country / region?

Response	n	per cent
Donor funding has strengthened civil society generally	31	67.39
Donor funding has created several leading and professional CSOs and not the whole sector	31	67.39
Donor funding has created professional individuals/experts in CSD and not the whole sector	21	45.65
Civil society would not exist without donors	18	39.13
Donors could have used their resources more effectively	16	34.78
Donor funding has created professional CSOs	15	32.61
Donor funding has built capacities and helped create sustainable civil society	15	32.61
Donor funding has not helped to build civil society	1	2.17
Donor funding has weakened civil society	1	2.17
Donor funding has been a waste of time and money	0	0

NOTE: Respondents could select as many as they felt were relevant (n = 46). Responses have been sorted with the most popular options listed first.

Identifying Problems with Civil Society Development⁴

There seemed to be a broad consensus amongst the donor organisations across the region about the problems facing CSOs and civil society development in the Western Balkans. The concerns raised are also familiar criticisms levelled at NGOs and externally funded civil society development globally. The main concern expressed by several donors was dependency: One of the private foundations referred to civil society as ‘project society,’ since the survival of CSOs depends on continuing short-term grants to retain staff and to complete projects. According to another foundation operating in the region, donor priorities steer the activities of CSOs, so local organisations focus more on chasing international money rather than focusing on their core activities. A side effect of this is that CSOs, instead of working together on issues of common concern and expertise, find

⁴ Respondents completed the questionnaire with the proviso that their answers would be anonymous. Thus, attributions in this section only refer to the donor type and country of operation.

themselves in competition with each other, creating a weakened civil society voice in the country and in the region. A large bilateral donor based in Kosovo noted that competition amongst local CSOs has diluted their potential power. One of the bilateral European development agencies active in Bosnia-Herzegovina pointed out that this project-driven strategy has also weakened long-term governance-building, since capacity building has been driven by donors, not by the countries themselves, resulting in weak co-ordination and co-operation between state and non-state actors. More importantly, by pursuing donor initiatives instead of listening to the needs of citizens, CSOs have become unaccountable, and according to one regional foundation, CSOs in the Western Balkans suffer from an 'inability to genuinely blend with the society'. In Albania, one of the country offices for a bilateral development agency stressed the need for better internal accountability and transparency amongst CSOs, since many have non-member decision-making processes.

Other respondents also indicated that the financial weakness leaves CSOs vulnerable to politicization or marginalization by political parties, especially since donors are gradually shifting their priorities to other parts of the world and are leaving the Western Balkans. One of the large bilateral development agencies active in Bosnia-Herzegovina noted that there are no alternative revenue streams for CSOs, since governmental assistance is given in an unaccountable and non-transparent way, and the business sector does not as yet see CSOs as potential partners. Due to the lack of long-term certainty, CSOs are often dependent on political parties and may become interwoven with party political interests and agendas, as pointed out by a private foundation active in Serbia. In Macedonia, one bilateral development agency noted that local organisations are reluctant to speak out against the government. One of the multilateral agencies in Albania also identified political independence as a problem with CSOs in the country. Another related problem associated with the weakness of CSOs and low sustainability is that there is a high turnover of staff and thus, there is no accumulation of expertise. The high turnover of CSO staff was noted by an international organisation working in Bosnia-Herzegovina and by a European bilateral development agency working in Kosovo.

Since respondents to the questionnaire identified USAID and the EU as the two most important donors in the Western Balkans, it is instructive to briefly examine the problems for CSO development identified by representatives of the two donors. The responses of USAID and EU representatives across the region seem mostly to identify the same sets of problems,

Table L. Main problems with CSOs identified by one or more respondents, for USAID and the EU.

	EU	USAID
Lack of sustainability	X	X
Unevenly developed	X	
No financial autonomy	X	X
No social responsibility or civic engagement	X	X
Lack of transparency regarding public sources of funding	X	X
Dependence on donor funding	X	X
Lack of trust from citizens	X	X
Lack of capacities (technical, knowledge, fundraising, etc.)	X	X
Lack of political independence	X	X
CSOs and the business sector are not in partnership		X
CSOs compete amongst themselves, and do not co-operate		X

although one EU representative identified the uneven development of CSOs, and USAID respondents identified the lack of CSO-business partnerships and inter-CSO competition, as significant obstacles to CSO development in the Western Balkans. The results are shown in Table L.

Discussion and Conclusion

Despite the aforementioned limitations of the survey data, the research has provided a significant amount of information about past and present donor activities, perceptions of the capacities of recipients, attitudes of donors towards CSO/NGOs, levels of co-ordination amongst donors and insights into internal evaluations regarding successes and failures of the commitments made.

In terms of donor understanding of civil society, its function and development, the over-riding perception is of CSOs as service providers, partners for projects, and sources of potential knowledge and expertise. Although most donors identified the importance of engaging local and smaller organisations rather than just working with large, well-established organisations or networks, the vast majority also emphasised the importance of engaging CSOs with governmental or multilateral agencies, as well as the importance of network building. This suggests that there is at least a recognition of the bifurcated role of civil society, as a facet of pluralist and participatory

democracy, and as transactional partners in policy making and governance. From the narrative responses of self-selected examples of best practice, donors, whether a large bilateral/multilateral agency or a private foundation, identified either developing basic and participatory capacities, or building local, national and/or regional networks that include CSOs as examples of successful practice.

In terms of the proportions of aid deployed towards supporting particular activities or building certain capacities, providing training and technical assistance is the main focus. Indeed, almost all of the respondents have provided CSO training and/or technical assistance. But donors also seem to focus heavily on network-building and advocacy activities. This confirms research conducted in parts of the Western Balkans and in post-socialist Central and Eastern Europe showing that instead of simply funding direct action or participatory projects, international donors have tended to prioritise transactional activities, or activities that promote stronger links (domestically and regionally) between governmental and non-governmental actors, and amongst non-governmental actors.

The mechanisms for delivering support are identified in the existing literature as critical determinants of the sustainability of outcomes and the types of CSOs that emerge and thrive. It is therefore quite surprising that, despite the criticism levelled at short-term project grants as a development tool for civil society, most donors (80 percent) still channel their assistance predominantly or entirely through grants for projects typically lasting for 24 months or less (Figure B). By contrast, long-term core or programme funding, which most of the larger CSOs in the region have secured, is only provided by less than a quarter of the donors that responded to the questionnaire.

With regard to the critical issue of co-ordination between donors and attempts to co-operate rather than duplicate initiatives, both the questionnaire and the interview data revealed a symmetry in terms of what donors prioritise and focus on (even if they employ different strategies and approaches), but a somewhat alarming lack of informal or formal co-operation and regular communication.

In terms of the triadic relationship between donors, CSOs and local stakeholders, the results (Table K) suggest that most respondents believe that there is a partnership between local CSOs and donors which works well. However, if the regional and country offices are analysed separately, a larger proportion of international actors believe that local CSOs are still learning to become effective partners, whilst only one regional office

representative chose this option. Less than one-third of the donors that completed the questionnaire believed that CSOs were taking a proactive role in setting programme priorities (Table K), which indicates that most CSOs are not involved in activities such as programme design and evaluation. Although respondents avoided selecting the most pessimistic options regarding existing CSO capacities, the results from Figure H and Figure J suggest that donors are aware of the dependence of local organisations on funding and other assistance from international sources.

In terms of relating the data presented here to the fundamental question of why the long-term provision of aid and attempts to promote democracy via civil society have seemingly not delivered a sufficient dividend, the problem seems to lie more in the mechanisms donors deploy rather than their understanding of the role and function of civil society. The dominance of short-term project grants is seemingly unabated; although there is a recognition that networking and building ‘transactional’ capacities are important, this requires a different approach in terms of deploying resources over a longer-term basis and towards less tangible outcomes.

Whilst it is fair to conclude that how donors view civil society and its contribution to democracy and state building is the basis on which the *focus* of aid is decided, there is seemingly a disconnect between perceptions of what needs to be done and how to achieve it. Combined with poor co-ordination and collaboration amongst donors, the limited impact of donor strategies is explicable. The overriding sense from the interview data is that the provision of aid, the setting of agendas and the evaluation of outcomes takes place in a context of imperfect knowledge.

Whilst it has long been recognised that donor strategies are contentious and determine the impact of assistance, this article has extended our understanding of how donors are responding and whether that response is sufficient to mitigate the predicted impact of reduced budgets and rationalisation in a region still very much in need of development aid.

Annex 1: List of respondents

DFID (Kosovo)

ERSTE Foundation

EU Delegation to Albania

EU Delegation to Bosnia and Herzegovina

EU Delegation to Montenegro

EU Delegation to Serbia
European Commission, DG Enlargement
European Cultural Foundation
European Fund for the Balkans
Fondacija tuzlanske zajednice
Foundation Open Society (Albania)
Foundation Open Society (Macedonia)
Foundation Open Society (Serbia)
German Organisation for International Development (Headquarters)
Heinrich Boell Foundation
Hungarian Interchurch Aid
King Baudouin Foundation
Mott Foundation
National Endowment for Democracy
OSCE Mission to Montenegro
OSCE Mission to Macedonia
Oak Foundation
Robert Bosch Stiftung GmbH
Swedish International Development Cooperation Agency - SIDA
(Headquarters)
Swedish International Development Cooperation Agency - SIDA (Albania)
Swedish International Development Cooperation Agency - SIDA (Bosnia-
Herzegovina)
Swedish International Development Cooperation Agency - SIDA (Serbia)
Swiss Agency for Development and Cooperation - SDC (Albania)
Swiss Agency for Development and Cooperation - SDC (Bosnia-
Herzegovina)
Swiss Agency for Development and Cooperation - SDC (Macedonia)
Swiss Agency for Development and Cooperation - SDC (Serbia)
Swiss Cultural Programme in the Western Balkans
The German Marshall Fund of the US, The Balkan Trust for Democracy
The Olof Palme International Center (Serbia)
Think Tank Fund - Open Society Foundations
UNDP Bratislava Regional Centre
UNDP (Albania)
UNDP (Bosnia-Herzegovina)
UNHCR (Bosnia-Herzegovina)
USAID (Albania)
USAID (Bosnia-Herzegovina)

USAID (Kosovo)
 USAID (Macedonia)
 USAID (Serbia)
 UniCredit Foundation
 Westminster Foundation for Democracy
 The World Bank (Albania)
 The World Bank (Macedonia)

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