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NGOs AND PROMOTION OF DEMOCRACY AND CIVIL SOCIETY IN EAST-CENTRAL EUROPE

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Introduction

Since 1989 the non-governmental organisations' (NGO) sector has played an important role in the social and economic transition in Central and Eastern Europe (CEE). [1] These institutions have grown in size and span in all CEE countries. NGO activities have expanded over a wide range of areas, including human rights, minorities, media, environment, social protection, health care, culture, arts, education, information dissemination and the like.

The role of NGO sector in the process of democratisation is associated with building the civ society where civil society organisations have to perform important social, political and community functions. In contrast to the socialist political system where the state was the sol provider of social welfare services and the communist party the only institution dictating the political agenda, in a functioning democracy NGOs have to enhance political participation and help the political elite in defining a rational public agenda. During the initial stages of the transition, the NGO sector was considered as an important vehicle for the development of the political, economic and social reform and the main advocate of the new civil society.[2] The re-emerging structures of the civil society embraced democratic values and ventured to translate them into "viable civic practices affecting societal attitudes, behaviour and organization".[3]

This study examines in a comparative perspective the development of the NGO sector in Bulgaria and CEE. The main assumption is that the growth of the sector is strongly related to the existing conditions in the individual countries at the beginning of the transformation. The operational hypothesis is that in spite the achieved political transformation, which is ver similar in CEE, the development of the Bulgarian NGO sector will lag behind, in comparison to the NGO sector in other CEE countries. On the other hand, once the transition has started and the non-profit sector has emerged, the interactive patterns of the NGOs with other socia actors will determine the evolution of the size and scope of the sector. These assumptions have determined the logic and the format of the study.

Chapter one highlights the factors and conditions determining the differences in the development of the NGO sector in CEE. Particular attention is given to the legacies of the communist regime, the ethno-cultural, religious, philosophical and legal traditions, and the

[1] The operational definition of the NGO sector includes a range of different types of organisations which are formal, private, not-for-profit, voluntary and of public benefit. The other characteristic of the NGO sector is its political neutrality (See for example Ewa Les, 1994. *The Voluntary Sector in Post-Communist East Central Europe*. Washington: Civicus, p. 22-23). In order to avoid the terminological chaos, which makes the definition of the NGO sector extremely difficult, in this study we have adopted the operational definition of Lester M. Salamon and Helmut K. Anheier. According to this definition, the NGO sector includes organisations that share several common features: (1) formally constituted; (2) organisationally separate from the government; (3) non-profit seeking; (4) self-governing; (5) voluntary to a significant degree; (6) non-political. Salamon and Anheier also exclude from the NGO sector religious organisations. For further details see: Lester M. Salamon and Helmut K. Anheier, 1994. *The Emerging Sector: The Non-Profit Sector in Comparative Perspective - An Overview*. Baltimore: Institute for Policy Studies, The Johns Hopkins University, p. xiii.
In this study the organisations that meet the above criteria are referred to, interchangeably, as *NGOs, Civil Society Organisations or the Third (Voluntary) Sector*.

[2] Ewa Les, 1996. 'The Role of the Voluntary Sector in the Transformation of State Welfare Systems in Comparative Perspective: Poland, the Czech Republic and Hungary, in: Brunon Synak and Miroslav Ruzica (eds.), *Voluntary Sector in a Changing World: A Polish-American Dialogue*, Gdansk and Indianapolis: Indiana University Center of Philanthropy, p. 208.

[3] National Human Development Report. Executive Summary. *Bulgaria 1998. The State of Transition and Transition of the State*. Sofia: UNDP, p. 12.

speed of the economic reform. The analysis indicated that one of the major reasons for the less developed and smaller Bulgarian NGO community is the delayed economic transformation which limits the growth of the funding base (private and corporate) of the voluntary sector. The slower pace of the Bulgarian reform also hampers the adoption of adequate general and specific NGO tax legislation.

Chapter two concentrates on the development of the NGO sector in CEE during the transition. The size of the sector and the fields of NGO activities are examined in comparative perspective.

Chapter three is focused on the specifics of the societal pattern of interaction of Bulgarian NGOs, compared to those in other CEE countries. The differences in these interactive patterns have determined the role of the NGO sector during the transition in the individual CEE countries. In this chapter the emphasis is on the interactive patterns of Bulgarian NGOs, giving particular attention on the relationships between NGOs and the public, the state and media. The interactions within the Bulgarian non-profit sector have played an important role in its the development and they have received additional attention in this part of the study.

In Chapter four we have presented specific cases in the development of the Bulgarian NGO sector. The large number of think tank type of NGOs and their strong influence in the Bulgarian transition to democratic society and market economy determined the need for thei special analysis. The other two special case studies in the chapter are on the co-operation between Bulgarian local government and civic organisations and on Bulgarian civi organisations, protecting the rights of ethnic minorities.

* * *

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The views, the comments of the documents and official statements, and the interpretation of the interviews in this study represent the opinion of the author and do not necessarily reflec the official opinion and policy of the institutions he works for or the opinion of the organisation, sponsoring this study

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Chapter 1

Factors Determining the Development of the NGO Sector in Central and Eastern Europe

The Legacies of the Communist Regim

In Bulgaria, the legacy of communism is rather different compared to Poland, Hungary and the Czech Republic. Bulgaria also differs from other CEE countries in terms of cultural and political traditions of citizen participation and involvement in the political process during the totalitarian regime. Unlike the other CEE countries the communist regime in Bulgaria was extremely intolerant to any forms of independent religious, cultural, educational or other truly citizens' organisations which could define and meet public needs independently from the government. The paternalistic drive of the Bulgarian totalitarian regime was so strong that it did not allow the emergence of informal networks dealing with public and economic affairs o the failing socialist economy. In contrast to Bulgaria, in Poland, Hungary and the Czech Republic the socialist governments were forced to tolerate non-governmental organisations as these regimes were increasingly incapable of providing growing living standards and economic abundance which were postulated in the theory of the so-called real socialism. Thus, in the 1980s in Poland, Hungary and the Czech Republic one can see the emerging predecessors o civil organisations which played a role of substitutes of the missing multi-party system and laid the grounds for the following democratisation process. Examples of such organisations are the Charter 77 in former Czechoslovakia, the Solidarnosc Trade Union in Poland and the Fund for Poverty Relief Szeta in Hungary. The governments of Poland and Hungary were pressed to enact again the laws on foundations, respectively in 1984 and 1987.[4]

In Bulgaria due to the higher degree of control and the isolation of the country independent, non-political and voluntary organisations could not emerge nearly until the end of the *perestroika* period. One of the very few examples is the Ecoglastnost movement which appeared in Russe as a form of protest against the trans-border pollution coming from Romania. Even in this case, the communist government was not prepared to be tolerant, in spite of the fact that the main responsibility for the problem has to be beared by a different country.

The Enthno-Cultural, Religious, Philosophical and Legal Traditions

The NGO sector in CEE is rooted in religious, cultural and philosophic traditions. Some o them date back in the Middle Ages. In Bulgaria the East Orthodox Church played an indispensable role for the survival of the Bulgarian nation and language by supporting various forms of self-organisation of local communities through the church-school communities and the community "reading houses" or cultural clubs (*chitalista*). In a similar way the Roman Catholic and the Protestant Churches supported the development of civic organizations on the territories which are now Poland, Hungary and the Czech Republic. However, during the transition to democracy, unlike in other countries of CEE, the Bulgarian East Orthodox Church had a minor role in the development of the NGOs. One of the reasons is that the Bulgarian Church has been fairly inactive, compared to for instance to the Roman Catholic Church in Poland. Simultaneously, in the post-communist period the Bulgarian Church has been ridden by continuous rivalries and fights over the legitimacy of the Synod. Thus, compared to Poland, Hungary and the Czech Republic, in Bulgaria religion played a less

[4] See Ewa Les, 1994, op. cit., p. 11.

significant role. The revival of the NGO sector can be attributed not so much to religious values but to general moral values. Recent surveys indicate that issues such as "sharing the problems of others" and "national culture and traditions" are more important than religion for the revival of the Bulgarian third sector which is an evidence for its more secular nature when compared to other CEE countries.[5]

Another Bulgarian peculiarity is that the Persons and Family Act which is the legal document regulating the registration of NGOs in Bulgaria was massively used for registration of a number of religious sects. From 1990 to 1994 Bulgarian courts have registered as NGOs more than 150 religious organisations.[6] This led to an amendment of the Act in 1994 with the adoption of Article 133a, according to which legal persons registered as non-profit institutions on the grounds of the Persons and Family Act, performing activities similar to religion or involved in religious and religious educational activities can be registered under the Persons and Family Act only with a special clearance by the Council of Ministers. The amendment also adopted a procedure, requiring all previously registered organisations to re-register in a period of three months.[7]

The Speed of the Reform and the Economic Performance

The development of the NGO sector in different CEE countries, the range and scope of its activities and its priorities was strongly influenced by the speed of the reform and the economic conditions in the different countries. Compared to the other CEE countries Bulgaria lags behind in implementing the reforms and has much worse economic performance. Data in Table 1 clearly indicates that the economic indicators of the Czech Republic, Hungary and Poland demonstrate better trends than those of Bulgaria. These countries managed t overcome the decline in real GDP as early as 1994. This was followed by a fast economic recovery and a significant success in cutting down inflation. But this was not the case o Bulgaria, where an acute stagflation process developed. Wages in Bulgaria measured in US dollar terms are several times lower. In this respect Bulgaria is already lagging behind Romania.

Table 1

	Real GDP (%			**Consumer Prices (annual average, %)**			**Dollar Wages in Industry**
	1995	1996	1997	1995	1996	1997	1996
Countries in transition	-0.8	0.1	3.0	119	40	31	
Czech Republic	4.8	4.2	4.5	9	9	8	316
Slovak Republic	6.8	7.0	6.0	10	6	6	256
Hungary	1.5	1.0	2.0	28	24	18	246
Poland	6.5	5.5	5.5	28	20	16	329
Romania	7.1	4.1	-1.5	32	39	109	100
Bulgaria	2.6	-9.0	-4.8	62	123	769	126

Source: World Economic Outlook, IMF, May 1997, p. 32.

Data on foreign direct investment (FDI) inflow in the region are also very indicative (See Table 2). In the Czech Republic, Hungary and Poland the cumulative per capita inflow of FDI is significant, while Bulgaria lags far behind. In Bulgaria the FDI inflow is much slower in spite

[5] Stefan Nikolov, 1997. 'The Third Sector in Bulgaria: Motivation for Helping Other People in These Times Difficult for All of Us', in: *Problems and Perspectives for the Development of the Bulgarian NGO Sector* . Sofia: UBF, p. 59 (Original in Bulgarian).
[6] See Bontcho Assenov, 1998. *Religions and Sects in Bulgaria*. Sofia, p. 12 (Original in Bulgarian).
[7] See *Bulgarian State Gazette*, No 15, 18 February 1994.

of the fact that salaries remain at a lower level. Evidently, the low price of labour cannot attract foreign investors.

Table 2

	Foreign Direct Investment (mln. US $)			**Export (mln. US $)**		**Gross External Debt/Export -**
	1996	Cumulative Inflows, 1991-1996	Cumulative Pe Capita Inflows, 1991-1996(US $)	1980	1995	1996
Countries in transition	11,250	42,263	100	-	-	-
Czech Republic	1,165	6,368	617	-	-	60
Hungary	1,986	12,767	1,256	8, 670	12,540	201
Poland	2,205	4,862	126	14,200	22,892	112
Romania	410	1,379	61	11,200	7,548	98
Bulgaria	180	588	65	10,400	5,400	160

Source: World Economic Outlook, IMF, May 1997, p. 105, 107. World Development Report 1997. The World Bank. Oxford University Press, 1997, p. 242-243.

Table 3 presents in a comparative perspective the main economic indicators of Poland, Hungary, the Czech Republic and Bulgaria. Data clearly indicates that Bulgaria is lagging behind the three other CEE countries.

Table 3

Main Economic Indicators of CEE Countries in a Comparative Perspective											
Bulgaria	Nominal GDP ($bn)	GDP per capita PPP ($)	GDP % change	Industrial production (% change)	Budget balance (% of GDP)	Unemployment (%)	Average monthly wage ($)	Inflation (%)	Exports ($bn)	Imports ($bn)	Trade balance ($bn)
1992	8.6	4074	-7.3	-15.9	-5.2	15.2	87.7	91.2	3.9	4.5	-0.6
1995	13	4365	2.1	5	-5.7	11.1	113.1	62.1	5.4	5.7	-0.3
1997	10.3	3768	-7.4	-7	-2.9	13.7	na	578.3	4.4	3.9	0.5
Czech Republic											
1992	30	8211	-3.3	-7.9	-1.8	2.6	164.3	11.1	8.8	13.3	-4.5
1995	49.6	9475	4.8	8.7	0.4	2.9	307.8	9.1	21.6	25.3	-3.6
1997	48.7	11319	1	4.5	-0.5	4.5	333.4	8.5	22.5	27	-4.5
Hungary											
1992	37.2	5796	-3.1	-9.7	-5.5	13.2	282.2	23	10.7	11.1	-0.4
1995	43.7	6558	1.5	4.6	-6.5	11.1	309.5	28.2	12.9	15.4	-2.5
1997	na	7249	4	10.9	-2.1	10.8	310.5	18.3	15.7	19.1	-2.4
Poland											
1992	84.3	4346	2.6	2.8	-6.6	13.6	213	43	13.2	15.9	-2.7
1995	116.7	5454	7	9.7	-3.6	14.9	285.5	27.8	22.9	29.1	-6.2
1997	na	6298	7	11.4	-1.4	10.5	352.7	15.3	27.2	38.5	-11.3

Source: Business Central Europe.

One of the consequences of the different economic performance of the individual CEE countries is the slower development of the NGO sector in Bulgaria. As it will be seen in the following chapters, these differences reflect in a number of specific features of the Bulgarian

NGO sector such as the relatively high number of "think tank" type of NGOs, the concentration of "power" and capacity in a few NGOs, contrasting political divisions and a growing number of NGOs founded by former or acting politicians. The slower pace of the economic reform, the lower rate of foreign direct investment, the decline of former government research institutes have made skilled labour relatively abundant. Also, wage differentials in the past 3-4 years are in favour of the NGOs. This reflects in a relatively higher number of skilled and very qualified individuals, employed in the Bulgarian NGOs in comparison to similar organisations in the three other CEE countries.

Chapter 2

The Development of the NGO Sector in CEE During the Transition: A Comparative Perspective

The establishment of a market-oriented, democratic and pluralistic political system demanded the development of a viable NGO sector. It is an indispensable component of the civil society in terms of organising various forms of civic initiative and self-organisation, thus promoting citizen participation in building the new democracies. During the transition the immediate task of the NGOs was to bridge the gap in a totalitarian systems between the citizens and the state and with the evolving market reforms - between the citizens and the emerging economic elite and economic power agents. As Eva Kuti points in her study on the non-profit sector i Hungary, the essential functions of the NGOs in building the civil society are to provide means for expressing and actively addressing the varied complex needs of society; to help individuals to act as citizens in all aspects of society, rather than relying on the state for beneficence; to promote pluralism and diversity in society by strengthening different type of identities (cultural, ethnic, religious, etc.); to establish the mechanism by which the government and the market can be held accountable by the public.[8]

Economic and Political Factors for the Growth of the NGO Sector in CEE

The theory points to different explanations why the NGOs have to develop in the post-communist societies. On the **economic side** these are the failures of the CEE post-communis governments and the emerging markets of CEE to provide public goods.[9] In a post-communist economy governments tend to fail in the provision of public goods in spite of the unusually heavy taxation burden. On the other hand, the underdeveloped markets also do not allow the provision certain public goods. Data on the economic performance of CEE and particularl Bulgaria (Table 3) suggest that the combination of the government and market failures leaves an unsatisfied demand, which encourages the NGOs to supply the missing public goods. This is one of the explanations for the rapid growth of the NGO sector in CEE. For instance, in Hungary from 1990 until 1992 the number of non-profit organisations has grown by 238.6%[10]. Similar trends are also observed in Poland, where the number of organisations mushroomed between 1990 and 1993. In Poland, the rate of increase of the number of organisation has been enormous since 1989 and did not change until 1992. The number of foundations, registered in these years in Poland is higher than that of all foundations operating in France.[11] The

[8] See Eva Kuti 1996,. *The Non-Profit Sector in Hungary,* Manchester and New York: Manchester Universit Press, p. 75.

[9] For the general discussion on public goods and the problems of co-operation on them see: Harding Russell, 1982. *Collective Action.* Baltimore: Johns Hopkins University; Barry, Brian and Russell Harding, (eds.), 1982. *Rational Man and Irrational Society?* Beverly Hills: Sage Publications.
From the perspective of domestic issues Wiemer and Vining provide a very comprehensive discussion of rivalry, excludability and congestion in the provision of public goods, see: Wiemer, David L. and Aidan R Vining, 1989. *Policy Analysis: Concepts and Practice*. Englewood Cliffs, N.J.: Prentice Hall.
Weisbrod put forward the theory that non-profits provide public goods by private action, see: Weisbrod, B., 1977. *The Voluntary Non-Profit Sector*. Lexington, Mass.: D.C. Heath & Co.

[10] Eva Kuti, 1996, Table 5.6, p. 116.

[11] See Jan Jakub Wygnanski, 1996. 'Basic Statistics Concerning the Scope of Activities of Non-Governmental Organisations in Poland, in: Brunon Synak and Miroslav Ruzica (eds.), *Voluntary Sector in a Changing World: A Polish-American Dialogue,* Gdansk and Indianapolis: Indiana University Center of Philanthropy, p. 229 and Chart 2 (p. 228) and Chart 3 (p. 231).

development of the Bulgarian NGO sector has followed a similar pattern. The difference is that these processes in Bulgaria developed a few years later, beginning from 1991-1992 when 27 % per cent of the existing Bulgarian foundations were registered. This process o registration marked a peak in 1993 when 20% of the existing Bulgarian NGOs were registered.[12]. While in Poland, Hungary and the Czech Republic the registration of NGOs leveled off in the years after 1993, in Bulgaria the number of newly registered organisations i still growing. Seeking purely economic explanations, one can point to the severe economic and socio-political crisis at the end of 1996 and the beginning of 1997 when the socialis government was increasingly failing in the provision of the undersupplied public goods.

The growth of the NGOs in a post-communist society can also be attributed to the legacies o the past social experience. One of these is the inherited extreme reliance on social services provided by the state and the absence of social services, provided by the market. With the transition to a market economy some of these services are switched to NGOs providers because the post socialist consumer tends not to trust the services of private providers (and also cannot afford them), particularly when the buyer is different from the consumer of the service, such as for example is the care for the elderly or children. This is another reason for the growing number of social welfare NGOs. One of the exceptions, most noticeable in Bulgaria, where the market has been increasingly providing the "different buyer-consumer" type of service is education. In Bulgaria the number of private nurseries, primary and secondary schools has grown dramatically. Part of these operate as businesses but a typical Bulgarian phenomenon are private educational institutions, charging fees for their services, to operate as NGOs trying to raise soft money for their otherwise business oriented programs. This is possible because a large number of these institutions are founded as NGOs under the provisions of the Bulgarian Persons and Family Act. Even a brief look at the funding proposals submitted to the major donors in Bulgaria will reveal that institutions like the Bulgarian Dutch College of Management and Marketing or the New Bulgarian University which operate as private educational business entities, submit proposals for funding competing with genuine NGOs.

Another reason for the growth of the NGO sector in CEE is the fact that NGOs very often provide social services more efficiently than governments. Their costs are lower because, unlike governments, NGOs can attract volunteers and donations. Competition for funding and the more accurate information about the needs on a local level lead to lower costs and better quality of the NGOs services.[13]

Unlike in Bulgaria, in Hungary and Poland the state has realised earlier that even if it pays the NGOs for the provision of social services it still saves budget money because of the socia 'competitive advantages' of the NGOs. For instance, breaking down the stereotypes that the state should be the sole provider of social services has been achieved to a large extent in Poland. The Polish model is based on the recognition that local governments have to make contracts and provide grants for social services to NGOs. Although the regulations limit the

[12] *The Third Sector in Bulgaria: Statistical Barometer* , 1997. Sofia: National Statistical Institute and Eurika Foundation, p. 4.

[13] See Douglas Rutzen, 1995. Remarks delivered at the regional conference "Regulating Civil Society: Building the Capacity of the Resource Centers", in: Douglas B. Rutzen , *Select Legislative Texts and Commentaries on Central and East European Not-for-Profit La* (compendium of papers), Sofia: ICNL, EFC, UBF, p. viii.

scope and range of NGOs social welfare services this new model of co-operation between the state and the NGOs is adopted by the Polish Law of Social Welfare on supporting NGOs.[14]

In Hungary, the state has started to support the NGO sector nearly since the beginning of the reforms in the early 1990s. The Hungarian government created several foundations which distributed government money and also supported the NGOs indirectly through tax deductions of both individual and corporate donations to foundations. [15] The overwhelming part of support to foundations on the part of the government came from the central budget and took the form of grants. The other form of government support in Hungary is the 'third part payments' which means "per capita support" of non-profit organisations, providing a specifi service. In this way the government decides to give up its subsidy for a fiscally supported service to the service providers. This form of support was introduced in Hungary as early as 1990 with the Law on the State Budget, which gave to Hungarian NGOs, providing basic social, education and culture services the right to benefit from the same amounts of per capita subsidies as the one given to state-owned institutions.[16]. Unlike in Poland, both in Hungary and Bulgaria local government support plays less important role. According to Eva Kuti, loca government support to foundations is less than 4% of the total government support. The reason is that local governments have financial constraints and they themselves seek additional funds by establishing foundations for fund-raising purposes. However, unlike in Bulgaria, the attitude of Hungarian local government to local NGOs is more of co-operation rather than o competition. NGOs and especially community foundations are regarded as some form of relie because they can undertake some of the duties of the local governments.[17]

In Bulgaria the degree of co-operation between government and NGOs varied immensely in the years after 1990. Initially, the socialist government of the late Prime Minister Loukanov with a special Government Decree 133 of 1990 granted tax and customs privileges to Bulgarian foundations. Unfortunately, this regulation has been misused by a number of organisations, most of which were founded for the purpose of benefiting from the favourable tax regime. As a result the regime was amended and practically canceled. Currently, the only exception are donations to foundations if they are in line with their specific field of activity. In all other cases, from a taxation point of view, Bulgarian NGOs are treated as businesses if the charge cost recovery fees, even in the cases when they provide services to the public. For example if a NGO charges a fee for a publication to other NGOs or to the public at large, fro a taxation point of view, this is regarded as business activity and has to be reported and accounted for as such.

Since 1990 the relationships between Bulgarian government and NGOs evolved through several phases, fluctuating between the two possible extremes: NGOs being entirely anti-government and NGOs becoming a mute supplement of one or another government. [18] For instance, during the democratic government of Philip Dimitrov NGOs acted more as critiques rather than developers of new ideas and facilitators of change, which was probably the resul of their nascent stage of development in which the understanding of civil society was primaril

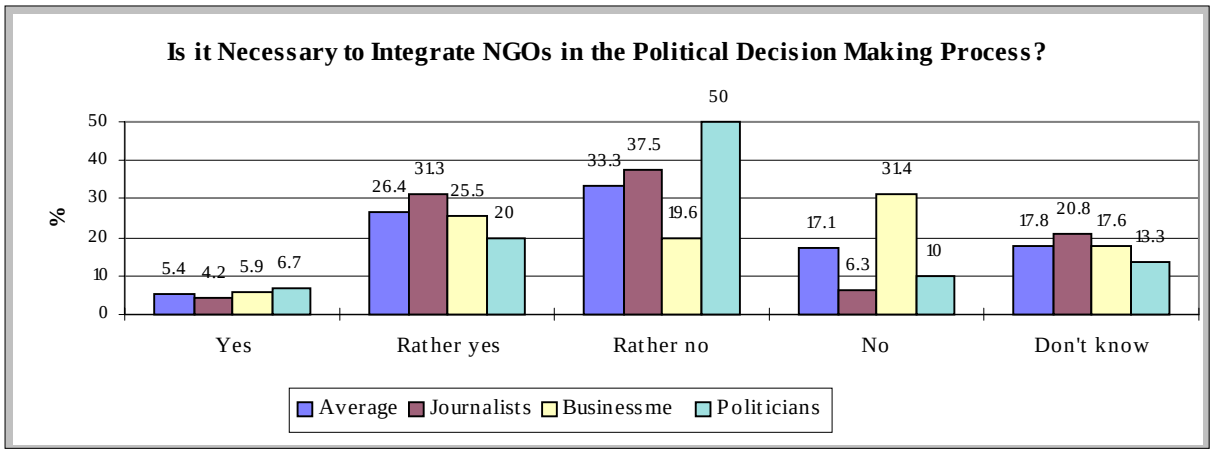
[14] See Jerzy Boczn, 1996. 'A New Relationship between Non-Governmental and Public Sectors, in: Brunon Synak and Miroslav Ruzica (eds.), *Voluntary Sector in a Changing World: A Polish-American Dialogue* , Gdansk and Indianapolis: Indiana University Center of Philanthropy, p. 246.
[15] Eva Kuti, 1996, op. cit., p. 98.
[16] See Eva Kuti, 1996, op. cit., pp. 103-104.
[17] See Eva Kuti, 1996, op. cit., pp. 128-129.
[18] These possibilities for the evolution of Bulgarian NGOs were pointed by Ivan Krastev. See: Ivan Krastev, 1995. The State and Civil Society: the Temptations of the Third Sector. Remarks Delivered at the National Convention of Bulgarian Non-Profit Organisations, 3-5 November 1995.

as something distinctly contrasting and maybe opposing the state. On the other hand, the socialist government of Videnov was clearly hostile to the NGOs and particularly to the Open Society Foundation (OSF).[19] OSF was regarded as a real political threat by the socialis government which is not surprising as the foundation was one of the most active and real promoters of democratic values in Bulgarian society.

The uneasy relationship between the NGOs and the state are reflected in different surveys. For instance, one of the surveys of the Center of Social Practices, based on interviews of severa focus groups, indicates that 60 per cent of the interviewed politicians do not favour the direct involvement of the NGOs in the political process, which is a higher rate compared to the average for the three groups (politicians, business people and journalists), included in the survey (Figure 1)[20].

These attitudes of the government to the NGOs changed after the elections in 1997. The new democratic government of Ivan Kostov is inclined to stimulate the co-operative relationship with the NGO sector. Since 1997, both in the Cabinet and in the Office of the President there are special NGOs advisers who have to secure the co-operative liaison with the third sector. The positive change in the relationships between the government and the NGOs has been clearly evident in the adoption of the new social welfare regulations. The government has involved a number of NGOs in the discussion of the new legislation and the adopted legislation envisages them to play a greater role in the social welfare process.

Figure 1



Source: Evegeni Dainov, 1995, op. cit., p. 31.

On the **political side** the growth of the NGO sector in CEE is associated with the change o the general political climate and the liberalised by the state legal framework. Thus, after 1989 in CEE there was an evolution from a totalitarian policy approach (restricting the self-organisation of citizens) to a fairly liberal model of registration of NGOs. The emerging NGO sector gives a real meaning of the freedoms of speech and expression and the right o

[19] For example, the pro-government at the time weekly 168 Hours nearly in every issue in 1995 and 1996 published an anti-OSF article, implicating without any grounds the organisation in all possible sins, ranging from cultural colonialism and imposition of alien values, to selling the national security to foreigners and perpetrating ethnic tensions. See the issues of 168 Hours for 1995 and 1996.

[20] See Evegeni Dainov, 1995. *The NGO Sector in the Mirror of Sociology*, Sofia: Center for Social Practices (unpublished paper, presented by Evgeni Dainov at the National Convention of Bulgarian Non-governmental Organisations, 3-5 November 1995), p. 9 and the Data Appendixes.

association, all of which after 1989 are protected throughout CEE by international treaties, constitutions, and specific legislation.

The countries in the region have also recognised that the state should not monopolise the provision of public goods and services. The NGO sector, at least in theory, is regarded also as a promoter of competitive market place - the one of contending ideas.

The growth of the sector can also be explained by substantial amounts of overseas funding for the NGOs in the region which in a way compensated the lower levels of domestic private (individual and corporate) donations. This phenomenon fits into Lester Salamon's notion of philanthropic insufficiency, i.e. CEE private giving does not provide adequate funds to cover the public need in a time when they are mostly needed. [21] Indeed CEE countries have undergone a painful transition from a centralised economy to a free market system. However, as a result of the economic reforms at the initial stages of the reform, the GDP of CEE countries has dropped. The slowness of domestic economic prosperity has resulted in a restricted private donor base, both individual and corporate. This is particularly true for Bulgaria when compared to other CEE countries (Table 1 and Table 3). Some of the studies of the Bulgarian NGO sector point that the main source of income for the Bulgarian foundations is international aid which accounts for 95.4% per cent of the revenues of these institutions.[22] Most of the 800 - 900 operating Bulgarian NGOs rely financially on projec funding, granted directly by three major donors: Open Society Foundation, Democracy Network Program (USAID funds) and Civil Society Development Foundation (EU Phare program). All other funding sources (membership fees, private or corporate donations, budge subsidies or earned money) account for no more than 10% of the funds available to NGOs.[23] The biggest corporate donors of the early 1990s - First Private Bank and Agro-business Bank, went bankrupt. According to experts from the Center for the Study of Democracy Bulgarian business does not see any incentive to support independent policy research and is not ye taking up philanthropy. The companies that could make use of the expertise of NGOs and especially think tanks NGOs, are still inclined to build that capacity in-house. [24] The predominant attitude of corporate donors to charity is that it is 100% based on advertisements. Private and corporate donations often go to insiders or affiliated NGOs.[25]

This situation contrasts to the one in Hungary, where the major source of revenues is earned income (57%), followed by government subsidies (23.3%) and private giving (19.7%).[26] The Hungarian distribution of the revenue sources can be largely attributed to the typica Hungarian phenomenon, described by Ewa Les as developing of "contract culture", which has started as early as 1990.[27] In Poland, the situation is different from Bulgaria and Hungary Polish NGOs report aid from foreign NGOs as accounting for only 14% of their revenues, while the major reported source of income are corporate and individual donations, accounting

[21] See Lester Salamon, 1995. Partner in Public Service: *Government-Non-Profit Relations in the Modern Welfare State*. Baltimore: Johns Hopkins University Press, pp. 45 -48.
[22] *The Third Sector in Bulgaria: Statistical Barometer*, 1997, p. 22.
[23] *The Potential of the NGO Sector to Participate in the Bulgarian Accession to the EU* , 1997. Sofia: Civil Society Development Foundation, p. 10 (Original in Bulgarian).
[24] Stoyanov, A. and T. Bezlov. 1997. *Review of the Think Tank Activities in Bulgaria*. Sofia: Center for the Study of Democracy, p. 11, 13.
[25] Krassen Stanchev et al., 1997. *Charity and Financial Practices of and for NGOs in Bulgaria: Lessons from 1996 Experience*. Report of the Institute of Market Economics. Sofia: IME, p. 10 (Original in English).
[26] Lester M. Salamon and Helmut K. Anheier, 1994. *The Emerging Sector: The Non-Profit Sector in Comparative Perspective - An Overview*. Baltimore: Institute for Policy Studies, The Johns Hopkins University, Table 6.7 on p. 89.
[27] Ewa Les, 1994, op. cit., p. 27.

for 26% of the incomes of Polish NGOs. [28] Obviously, the higher speed of the economic reform and the larger middle class segment of the Polish society can explain the differences o the NGOs revenue structure in Poland and Bulgaria.

Size of NGO Sector

One of the transition processes in CEE was the immense growth of the NGO sector. It is difficult to assess the size of the NGO sector in the individual CEE countries due to differen reporting practices and legal definitions, and poor public statistics. Therefore, the reported numbers of NGOs should be regarded with reservation and caution. Nevertheless, using different methodologies, some researches have estimated the size of the entire sector as 70 000 voluntary organisations. [29] In Bulgaria, the number of NGOs has been estimated as 2893 in 1994[30], while in 1998, according to the Civil Society Development Foundation, the number o NGOs registered under the Persons and Family Act is around 5000 and there are another 4288 traditional civic organisations - *chitalista*[31]. According to Vitosha Research Co. by the autumn of 1997 there were 4500 registered Bulgarian NGOs out of which 60% to 70% are inactive (either closed after the establishment or not operating). The number of operating and active NGOs is estimated to be 800 to 900.[32] In spite of the doubled number of NGOs over the last 3-4 years, the size of the Bulgarian voluntary sector lags behind that of other CEE countries. For example, in 1993 - 1994 the size of the Polish voluntary sector is 17000 organisations[33], the number of Hungarian NGOs is estimated from 10000 to 31172[34], and the size of the Czech sector is reported as being form 13347 to 25000.[35]

The dynamics of the development of the NGOs suggests that the growth of the sector is strongly related to the pace of the transition and the economic reforms of the individual CEE countries. In the case of Poland the larger number of the NGOs can also be attributed to the larger size of the Polish population which is much bigger than that of Bulgaria, Hungary and the Czech Republic. However, the latter three countries have comparable population and the differences in the size of their voluntary sectors can only be explained by the speed of the economic reform which leads to the establishment of middle class and to development o numerous businesses (the natural financial source for voluntary activities) and the speed of the political reform, which has lead to the adoption of the respective legal regulations in all of the

[28] See Jan Jakub Wygnanski, 1996, op. cit., Chart 7 'Budget Structure of Surveyed Organisations, on p. 239.
[29] See Ewa Les, 1994, op. cit., p. 14.
[30] *Nations in Transition: Civil Society, Democracy and Markets in East Central Europe and the Newly Independent States,* 1995, Washington: Freedom House, p. 39.
[31] Civil Society Development Foundation (*unpublished concept paper*), 1998. Sofia: CSDF, p. 4.
[32] Attitudes to Charity and the Bulgarian NGO Sector: 1994 - 1997, 1997. Sofia: Vitosha Research (Research paper, original in Bulgarian), p. 5.
[33] See Ewa Les, 1994, op. cit., p. 14. Wygnanski estimates the number of Polish NGOs in the range from 17000 to 47000 but tends to accept as more realistic the lower limit, see: Jan Jakub Wygnanski, 1996, 227. The Freedom House *Nations in Transition* Report estimates the number of Polish NGOs as 20000, op. cit., p. 103.
[34] The figures for the size of the Hungarian NGO sector are 10000 in the Freedom House *Nations in Transition* Report, op. cit., p. 64, 23851 in Eva Kuti, 1996, Table 2.2 on p. 28 and 31172 in Ewa Les, 1994, p. 14. In an unpublished paper Eva Kuti points to 14 427 Hungarian foundations, 26759 voluntary associations or a total of 41186 organisations in 1994, see Eva Kuti, *An Overview of the Voluntary Sector in Hungary* (unpublished paper), p. 1.
[35] Ewa Les reports 13347 Czech voluntary organisations, see Ewa Les, op. cit., p. 14. The Freedom House Report *Nations in Transition* points to 2500 Czech Foundations and another 25000 civic associations at the end of 1995, op. cit., p. 45. According to the Civil Administrative Unit of the Czech Ministry of the Interior, in 1994 the number of Czech NGOs is 22765, see: *Basic Information of the Non-Profit Sector in the Czech Republic*, 1994. Prague: Civil Society Development Foundation, p. 18.

compared CEE countries, except Bulgaria. It is a paradox that the Bulgarian NGO sector has started to work on the new legal regulations for NGO operations as early as 1992 - 1993 and part of the proposed legal framework has been adopted in other post-communist countries bu not yet in Bulgaria. [36] The political, economic and legal environment in Bulgaria determines the specifics of the Bulgarian NGO sector, compared to the Polish, Czech and Hungarian sectors: (1) The concentration of large financial resources in a few grant-making and operational (functional) NGOs (Open Society Foundation and Civil Society Development Foundation are an example of the former and Center for the Study of Democracy, Center for Liberal Studies, Institute for Market Economics are an example of the latter); (2) Concentration of financial resources in a small number of professional associations such as the Bulgarian Industria Association, the Bulgarian Chamber of Trade and Industry and the Union for Private Enterprise; (3) A large number of relatively small NGOs with limited human and financia resources which are constantly on the edge of survival. NGO leaders of these organisations claim that 80% of their efforts are related to fund seeking, thus surviving from project to project.[37]

This situation in the Bulgarian NGO sector has led to undesirable rivalry and competition among smaller organisations for funding, political divisions and attempts on the part of the larger organisations to create clientele. The dependency of smaller NGOs on larger Bulgarian patron foundations was named by Dejan Kjuranov as developing *clientelism*".[38] In its turn, *clientelism* can easily lead to centralisation and development o *core-periphery* type of relationships in the Bulgarian NGO community.

Fields of Activity

The transition to a pluralistic society and market economy in CEE has brought about drastic changes in society and the economy. Wealth, political and economic power have been redistributed. The collapse of the socialist welfare system exposed to dangers different strat in post-communist societies. The emerging and rapidly developing NGO sector in CEE has to deal with these challenges of the transition. Though the emphasis on the fields of organisational work in CEE varies from country to country, there are some common patterns:

- The NGOs in CEE are engaged in an unusually wide range of activities. The surveys on the fields of organisational work in individual CEE countries point to 15 - 20 most typical fields of organisational work;
- Fields such as education and research, culture, sports and recreation tend to dominate at the expense of social work, social services and advocacy;
- In most of the CEE countries in the beginning of the transition there were a number o NGOs which operated in more than one field of organisational work.

[36] The leader in the development of the Bulgarian NGOs legal framework is the Center for the Study of Democracy. Provisions and sections of the Bulgarian draft law have been adopted in other countries, fo instance Poland, Macedonia and Vietnam.

[37] *The Potential of the NGO Sector to Participate in the Bulgarian Accession to the EU,* 1997. Sofia: Civil Society Development Foundation, p. 10 (Original in Bulgarian).

[38] In a discussion on the policy of the Union of Bulgarian Foundations and Associations (UBFA), the NGO umbrella organisation, to develop large centralised patronising structure, Kjuranov maintained that the funding model of the Bulgarian NGO sector, resting on several big grant-making foundations naturally leads to the emergence of a number of smaller NGOs - clients. See Dejan Kjuranov, 1997. *The Union of Bulgarian Foundations Creates Clientelism*, Kapital, 6 - 12 October 1997, pp. 31 - 33 (original in Bulgarian).

Partly these common features of the emerging NGO sector in CEE can be explained with the legacies of communism. Under the socialist regime nearly all of the social welfare activities were monopolised by the state. The collapse of the socialist welfare system and the financial constraints during the transition left an unprecedented vacuum in the provision of public services. Thus, the NGOs had to be involved in a wide range of activities. On the other hand, the deterioration of state provided services in the area of education and research, recreation, etc. because of insufficient funding, stimulates NGOs to become service providers in these fields. The comparatively low involvement in the fields of social work, particularly in Bulgaria until recently, can be attributed to unclear legislation and lack of experience in transferring public state social welfare services to civil society organisations. As Eva Kuti points "since non-profit service provision became legal, numerous non-profit organisations have been created in order to meet the unsatisfied demand or at least to alleviate the shortage".[39]

The change of emphasis in the fields of organisational work goes with different speed in the CEE countries. Compared to Poland and Hungary, the Bulgarian NGO sector is lagging behind in the provision of social welfare services. The available data do not allow direc comparisons as the individual country studies are not based on identical methodologies. In spite of that the comparison is worthwhile as it will reveal the general trends in the development and involvement of the NGOs in the public life in CEE during the transition.

In Poland the most important *specialised fields*[40] of work are education and raising socia awareness (41%), social work, self-help and charity work (29%), health protection and rehabilitation (29.5%), arts, culture and protection of cultural heritage (23.6%), family and children (21.5%). According to the same study the least common categories of fields o activity are public safety and property protection (1.5%), communication and transport (2%) and housing and housing issues (2.5%).[41] This distribution of the fields of organisational work points that together with the common for all CEE NGOs field education, the Polish voluntar sector has made a strong move in the field of providing social welfare services (social aid, family and children and health care). As seen in Figure 2 one can point to an evolving trend i the change of the fields of organisational work in Poland, putting an emphasis on social welfare services.

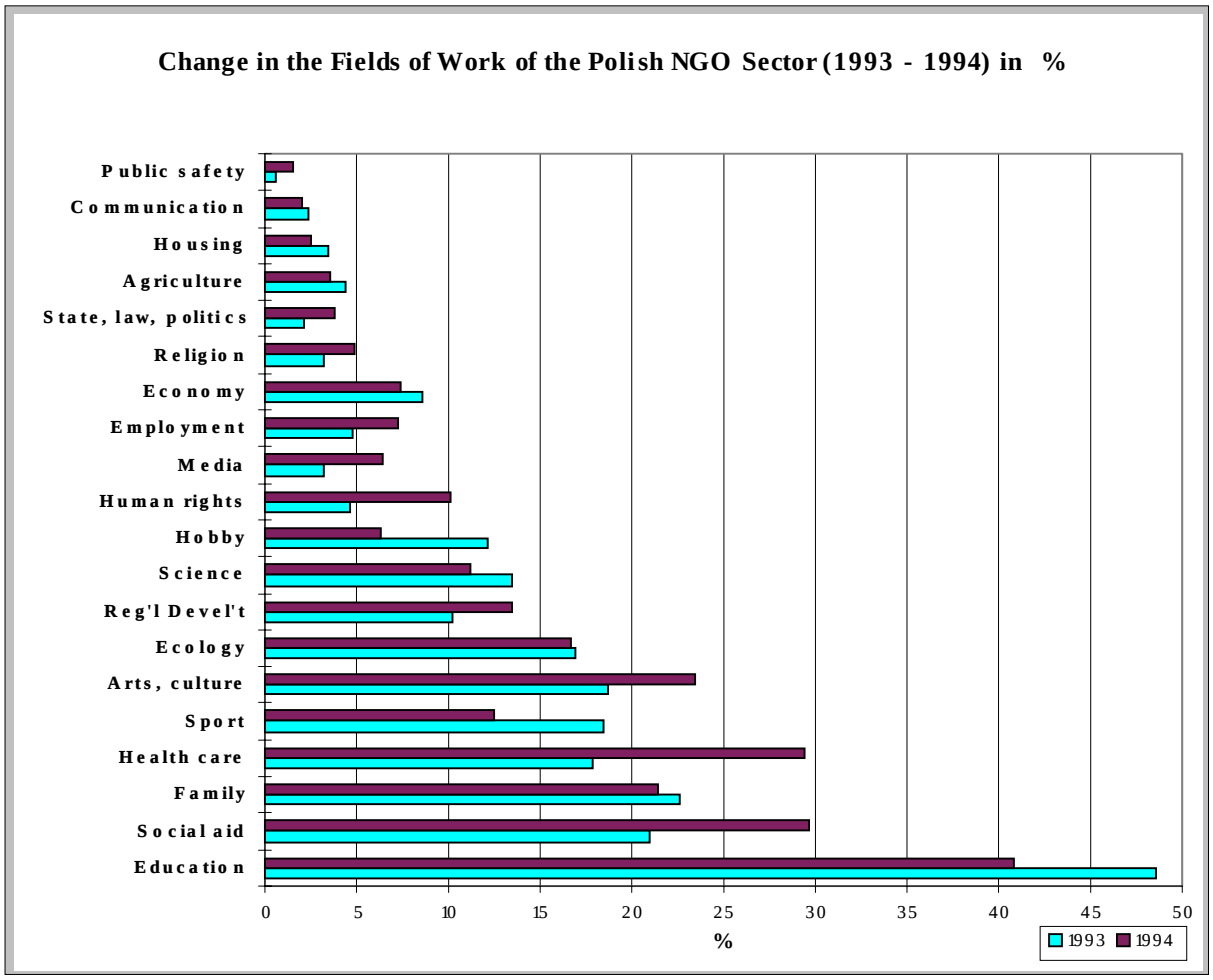
Figure 2 indicates that the major shifts in the fields of work are observed in *health protection* (18 % in 1993 and 29% in 1994), *social work* (21% in 1993 and 30% in 1994). One of the most interesting observations is the striking, almost twofold increase of the advocacy related fields of work such as protection of *human and minorities' rights, mass media and information, state and law*. As pointed by Wygnanski all of these categories form a block o activities which could be broadly described as *democracy development*[42] which is a strong evidence for the undoubted contribution of the Polish voluntary sector in building democrac and civil society.

In her study Eva Kuti points that in Hungary there are similar shifts in the field o organisational work. Compared to 1989 the share of newly emerging, *service providing organisations, advocacy groups, civic neighbourhood and environmental* organisations increased in 1990 - 1992, while the share of traditional organisations such as *sport clubs, hobby circles, voluntary fire brigades,* etc. has declined. The dominance of traditional

[39] Eva Kuti, 1996, op. cit., p. 78.
[40] Wygnanski uses the ter *specialised filed* in order to point to the field of work which describes best the character of the organisation, Jan Jakub Wygnanski, 1996, op. cit., p. 235.
[41] Jan Jakub Wygnanski, 1996, op. cit., pp. 235 - 237.
[42] Jan Jakub Wygnanski, 1996, op. cit., pp. 238.

organisations can be explained with the legacies of the past as these institutions were tolerated by the socialist regime[43].

Figure 2



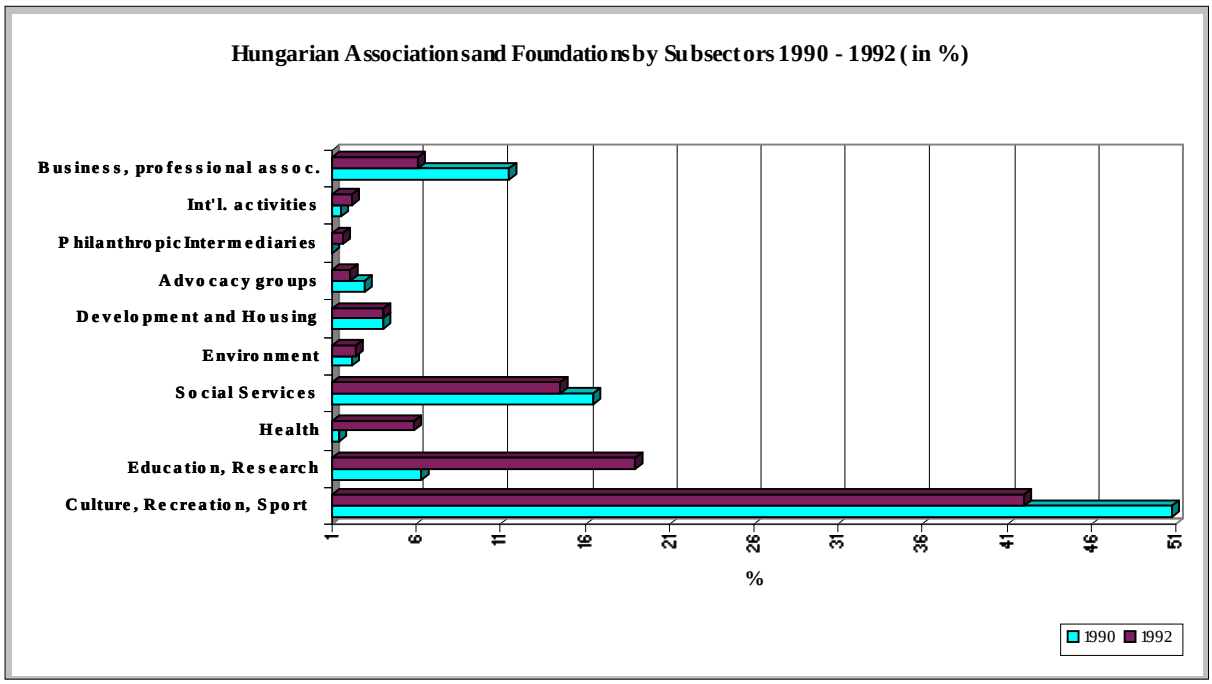
Source: Jan Jakub Wygnanski, 1996, Chart 6 on p. 238

Figure 3 indicates that the structure of the Hungarian NGO sector has been strongly influenced by the socialist heritage. However, developments in the sector indicate that slowly the structure shifts in the direction of providing more social welfare services. As Eva Kuti points, the fields of education and research, health, development and housing, civil and advocacy activities, which were underdeveloped in Hungary in the beginning of the transition, have much higher shares in the developing foundation sector. This trend can be interpreted as a sign of structural changes in the Hungarian NGO sector which gradually will decrease the differences between its structure and the structure of the non-profit sector in the Wes [44].

The Czech NGO sector displays similar structural patterns. Figure 4 indicates that traditional organisations (in this case sports, forest rangers, students and youth, trade and industria chambers, etc.), which were tolerated in the past, still have a dominant position in terms of their number.

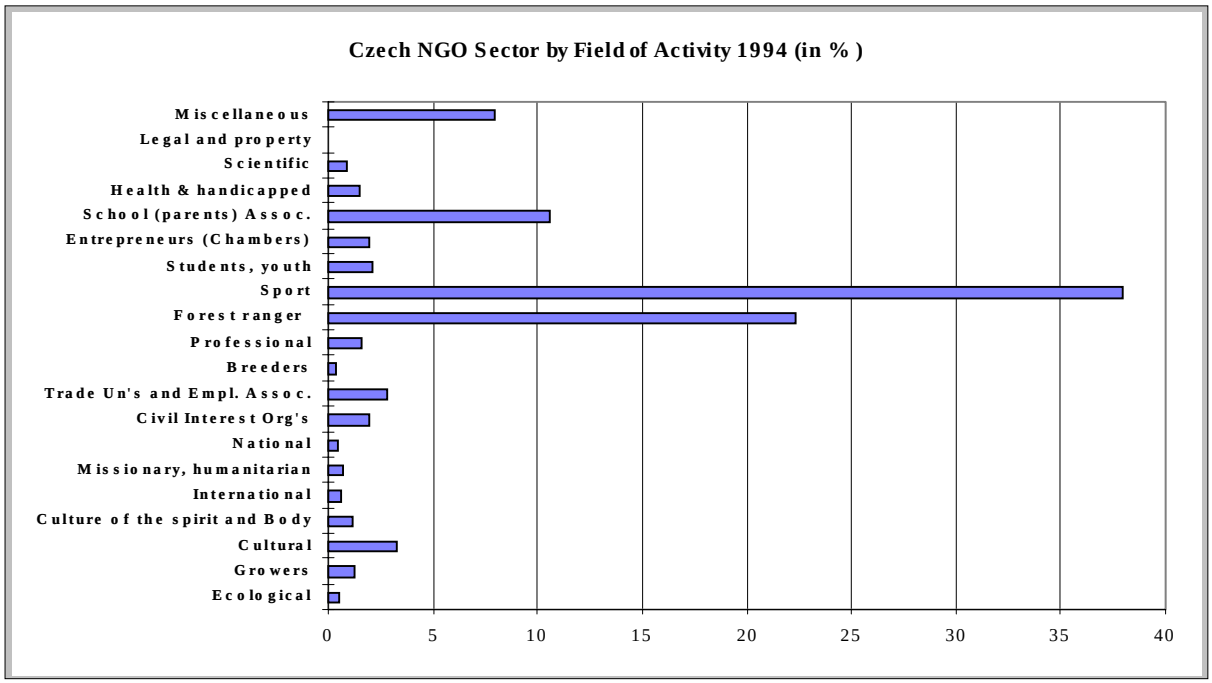
[43] Eva Kuti, 1996, op. cit., pp. 85 - 86.
[44] See Eva Kuti, 1996, op. cit., p. 96.

Figure 3



Source: Data for Figure 3 has been derived from Eva Kuti's stud .[45]

Figure 4

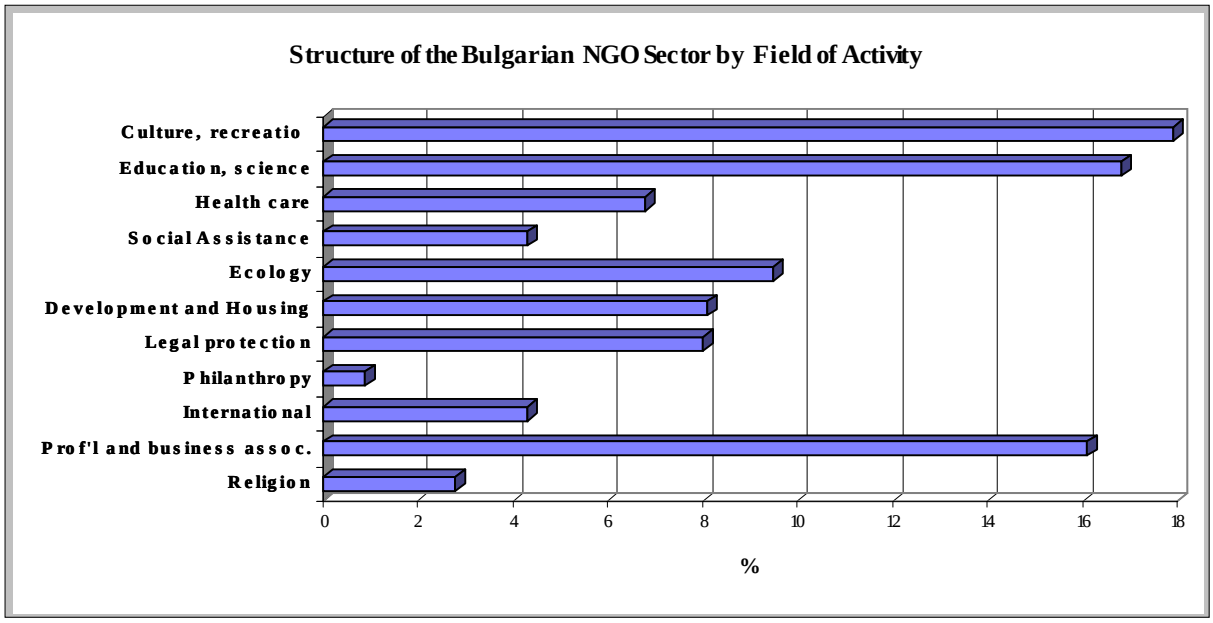


Source: Civil Administrative Unit of the Czech Ministry of the Interior as quoted in: *Basic Information about the Non-Profit Sector in the Czech Republic*, 1994, Prague: Civil Society Development Foundation, p. 18.

[45] The 1990 figures are from Eva Kuti, 1996, op., cit., Table 4.4 on p. 86, giving a breakdown of voluntar organisations by sub-sectors, according to the International Classification of Non-Profit Organisation. We have merged the categories culture, recreation and sports. The 1990 data in the original source come from two directories and is revised on the basis of the court registration and results of a sample survey: see Eva Kuti, 1996, Tables 4.3 and 4.4 on pp. 85 - 86. The 1992 data is compiled from the data of the sample survey, carried out in 1992 and presented in a table in Appendix A on p. 167, see Eva Kuti, 1996, op. cit.

Compared to other countries, the most significant difference of the Bulgarian NGO sector is the large number of NGOs involved in training and education, drafting laws, consulting, surveys, data collection and analysis, science, scientific and scholarly research. According to Stefan Nikolov, this can be attributed to the traditional Bulgarian love for culture and enlightenment.[46] This explains one of the specifics of the Bulgarian NGO sector in which a significant share of think tank type of NGOs is present. In the same study Nikolov points that if one excludes the specialised health care and medical associations the share of specialised social and welfare organisations becomes contrastingly low, amounting to 4.3% of the overall number (Figure 5 illustrates the finding of this study). [47]

Figure 5

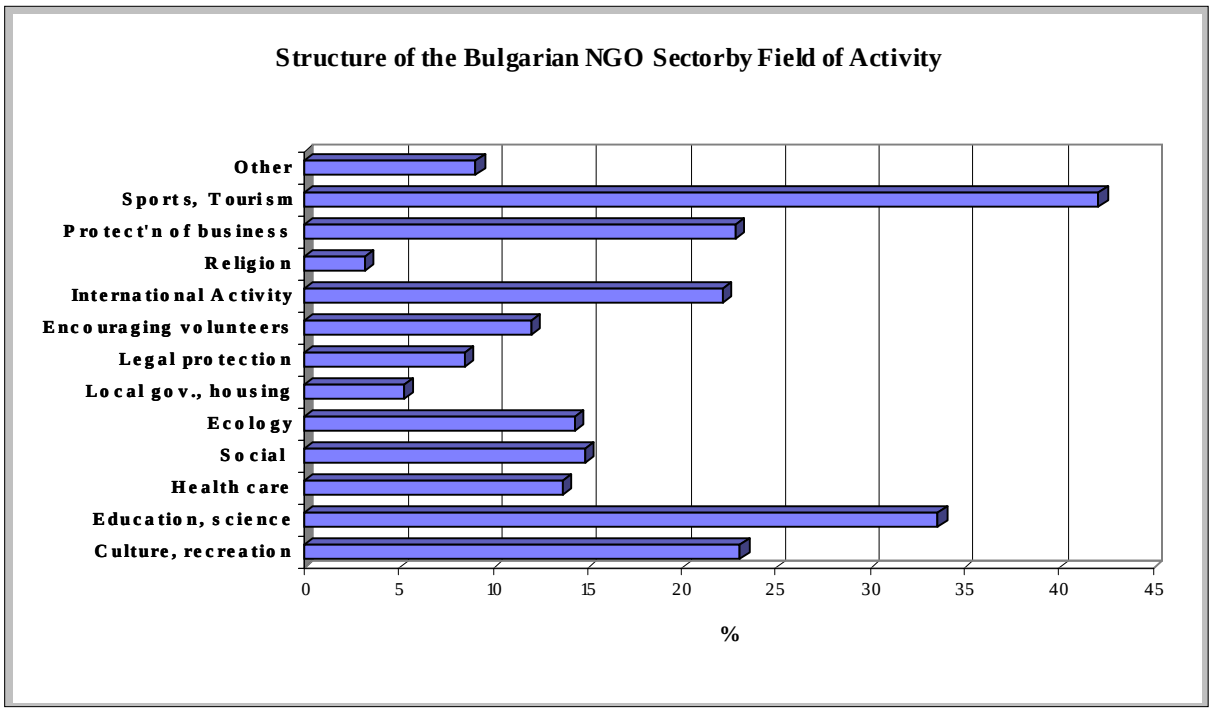


Source: Stefan Nikolov's study as cited in: *The Third Sector in Bulgaria: Statistical Barometer* , 1997. Sofia: National Statistical Institute and Eurika Foundation, p. 14.

These results were confirmed by subsequent studies based on slightly different methodologies. For instance the study of the National Statistical Institute and Eurika Foundation points that one third of the Bulgarian NGOs are involved in training and re-training and that this is a typical activity of 73% of the clubs, 61% of the associations, 56% of the foundations and 40% of the unions and federations [48] (For other details see also Figure 6).

[46] Stefan Nikolov, 1997. 'The Third Sector in Bulgaria: Motivation for Helping Other People in These Times Difficult for All of Us', in: *Problems and Perspectives for the Development of the Bulgarian NGO Sector* . Sofia: UBF, p. 48.
[47] Ibid., p. 49.
[48] See *The Third Sector in Bulgaria: Statistical Barometer*, 1997., op. cit., p. 19.

Figure 6



Source*:* The Third Sector in Bulgaria: Statistical Barometer, 1997, Table 10 on p. 33.

The same study points also to a large number of organisations involved in culture and recreation, professional and business activities (Figure 6). The similarity of the results of the two studies and the fact that they were carried out with a time lag of two years, leads to the conclusion that the structural evolution of the Bulgarian NGO sector towards activities in the social welfare field, advocacy, local governance, etc. is much slower than in the other CEE countries.

Another specific feature of the Bulgarian NGO sector is the wider range of activities, performed by the individual NGOs, compared to other countries in CEE Europe. A typica Bulgarian NGO "specialises" in more than one field. With the exception of sports, tourist, fishing and hunting organisations, which due to the specifics of their field are involved only in one field of activity, the rest of the Bulgarian NGOs are involved in two or more fields. According to the study of the National Statistical Institute and Eurika Foundation, half of the foundations and 40% of the associations are involved in more than one field of activity. [49] These figures suggest a relative immaturity of the Bulgarian NGO sector in comparison to the one in Poland, Hungary and the Czech Republic.

The Bulgarian NGO sector still demonstrates a *funding-driven type of activity*", i.e. NGOs tend to submit proposals for funding regardless of the main mission, stated in their charter. For example, in 1997 the Civil Society Development Foundation launched a program for social and humanitarian assistance. Among the NGOs which applied for funding were educationa associations, knowledge dissemination clubs, minorities' organisations, etc. Related to the phenomenon "*funding-driven activity*" is the "*funding-opportunity motivation* " for the establishment of NGOs by one and the same group of individuals in order to meet the requirements of the programs of different donors. In some cases these type of NGOs are

[49] Ibid., p. 20 and Table 13.

registered in different cities, thus meeting the donors' priorities to fund provincial NGOs. [50] Interviews with Hungarian and Polish NGO leaders indicated that this kind of "*funding-driven-opportunity activity*" was observed in their countries only in the early stages of the transition which is another indication of the adolescence of the Bulgarian NGO sector.

[50] It is difficult to provide statistical data, confirming this observation as Bulgarian Court Registrations on the case of foundations provide the name of the person representing legally the institution and not necessarily a complete list of all members of the governing bodies of the organisation. The observation is based on the experience of the author as expert of CSDF grant-making council and his positions of Chairman of the Supervisory and Auditing Councils of UBF and BCAF.

Chapter 3

The Patterns of Interaction of the NGO Sector: The Specifics of the Bulgarian NGO Sector in a Comparative Perspective

One of the challenges of the NGO sector in CEE in developing the civil societies is to advance the public confidence in voluntary organisations and establish good working relationships wit government, the business community, the media, the academic community and all strata in the society. Though the systemic transformation has eliminated the state monopoly in all spheres of public life, the interaction patterns between the NGO community and the other society actors in the developing democracies are not changing with the same pace as the growth of the size and scope of the sector. This is particularly true for Bulgaria, where the heritage of the totalitarian society is more vivid than elsewhere in CEE and the delayed privatisation preserved longer and on greater scale the monopoly of the state.

The NGOs and the Public

At the beginning of the transition Bulgarians in general had a prevailing negative attitude towards the emerging NGO sector. In 1994 surveys indicated that 41% had negative attitude towards NGOs, 31% had positive attitudes and 28% were indifferent. These attitudes are a product of the egalitarian heritage of the past and were cultivated by the media in the years after 1990. The media stories of several cases of tax evasion and the unjustified implications that donors, such as OSF, are buying the economy of the country, have created a negative image of the NGOs as being fraudulent institutions, aiming to secure their own wealth, rather than helping the society. However, as seen in Table 4 in 1996 and 1997 there is a marked positive shift in public attitudes towards the NGO sector.

Table 4

Attitudes towards NGOs by Socio-Demographic Characteristics						
	Positive		Don't Know		Negative	
	1996	**1997**	**1996**	**1997**	**1996**	**1997**
Total	68,3	71,8	22,7	21,1	9,0	7,1
Sex						
Male	67,2	71,1	22,3	21,1	10,5	7,8
Female	70,0	72,5	22,9	21,1	7,1	6,4
Age						
up to 19	63,6	88,5	29,1	3,8	7,2	7,7
20-29	74,4	79,3	19,4	17,9	6,2	2,7
30-39	75,1	78,6	18,6	16,1	6,3	5,4
40-49	71,8	9,6	18,6	16,7	9,6	73,7
50-59	66,2	73,5	21,9	17,5	11,9	9,0
over 60	62,0	59,2	28,8	32,9	9,2	8,0
Area						
City	73,4	79,4	18,7	12,9	7,9	7,7
Village	57,6	56,0	31,8	38,3	10,6	5,7
Education						
No education	37,7	32,1	60,7	67,9	1,6	-
Primary	47,5	39,3	44,4	56,3	8,1	4,5
Basic	61,2	65,4	29,0	26,5	9,8	8,1
High School	75,6	78,9	15,2	13,3	9,2	7,9
Vocational	84,1	92,6	11,6	1,9	4,3	5,6
University	87,2	90,0	4,7	3,3	8,1	6,7

Source: Attitudes to Charity and the Bulgarian NGO Sector: 1994 - 1997, 1997, op. cit., p. 4.

However, increasing positive attitudes to NGOs are coupled with unrealistic expectations tha NGOs are mainly free service providers. This free-rider's attitudes are be much stronger in Bulgaria than in the other CEE countries, compared in this study. Bulgarian NGO leaders complain that because of the economic crisis it becomes increasingly difficult to find volunteers. The general public perception (though very wrong) is that NGOs are financiall sound institutions which should not use voluntary labour.[51]

The perceptions of the Bulgarian public that NGOs can solve problems seem to be lower than in the other countries considered in this comparative study. The Bulgarian public is inclined to give preference to the state in resolving societal problems. In 1994, surveys indicated that Bulgarians gave preferences to the state for all kinds of social services: job creation, education, health, incomes, care for the youth and elderly, etc. What is also surprising is tha people tend to depend much more on local authorities for the provision of social services i the areas of public order and social welfare, while in the area of education and health the state is still regarded as the main provider. It is then not surprising that the levels of trust in NGOs as capable to solve these problems are remarkably low, ranging from 0.8% to 1.4% (Table 5 and Figure 7).[52]

Table 5

In Your Opinion Who Do You Think Can Really Solve the Problems in Your Town (Village) in the Following Areas:					
	Parliament	**Ministry**	**Local Government**	**NGO**	**Don't Know**
Health Service	14.0	39.4	33.4	0.8	12.5
Social Service	11.3	20.8	54.4	1.2	12.3
Public Order	11.9	25.8	49.7	1.4	11.3
Education	11.0	48.9	26.7	0.8	12.6
Transportation	5.8	28.3	53.1	1.0	11.9

Source: Stefan Nikolov, 1997, op. cit., Table 1 on p. 51.

However, since 1994 the number of those who trust NGOs as capable to resolve health, socia welfare, public order and transportation problems on a local level has increased and fluctuates between two and three percent in 1996 and 1997 (Figure 7). In 1997 there is also a tendency of increasing confidence of the public that NGOs can help in alleviating health problems. According to the respondents of the survey, during the three monitored periods NGOs were most effective in the area of social welfare. [53] This can be regarded as a positive trend o development of a social welfare domain in the Bulgarian NGO sector which has alread happened in Poland, Hungary and the Czech Republic.

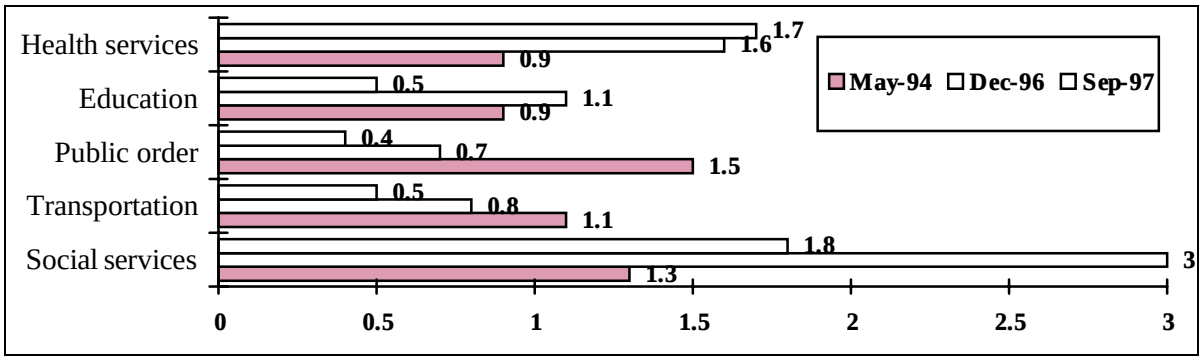
Since 1997 the positive attitude of Ivan Kostov's government to the NGO sector has reflected in growing public trust in voluntary the organisations. [54] Figure 8 illustrates that over the period December 1996 - September 1997, the public confidence in NGOs as capable to resolve important social problems has increased. In the same way the survey indicates a

[51] *The Potential of the NGO Sector to Participate in the Bulgarian Accession to the EU* , 1997. Sofia: Civil Society Development Foundation, p. 6 (Original in Bulgarian).
[52] See also Stefan Nikolov, 1997, op. cit. pp. 50-51.
[53] Attitudes to Charity and the Bulgarian NGO Sector: 1994 - 1997, 1997, op. cit., p. 5.
[54] Previous surveys point to a relationship between recognition and approval of the NGO's (See Evegeni Dainov, 1995, op. cit. p. 14).

growing share of those ready to seek assistance form NGOs to solve problems of a specific social group (Figure 9).

Figure 7

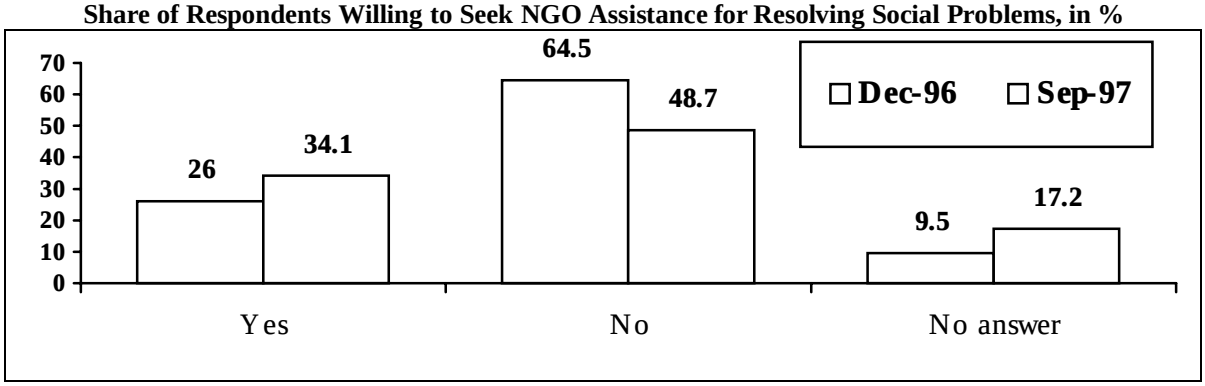
Share of Respondents Who Consider Bulgarian NGOs as Being Capable to Solve Problems on a Local Level in Selected Areas



Source: Attitudes to Charity and the Bulgarian NGO Sector: 1994 - 1997, 1997, op. cit., p. 5.

Figure 8

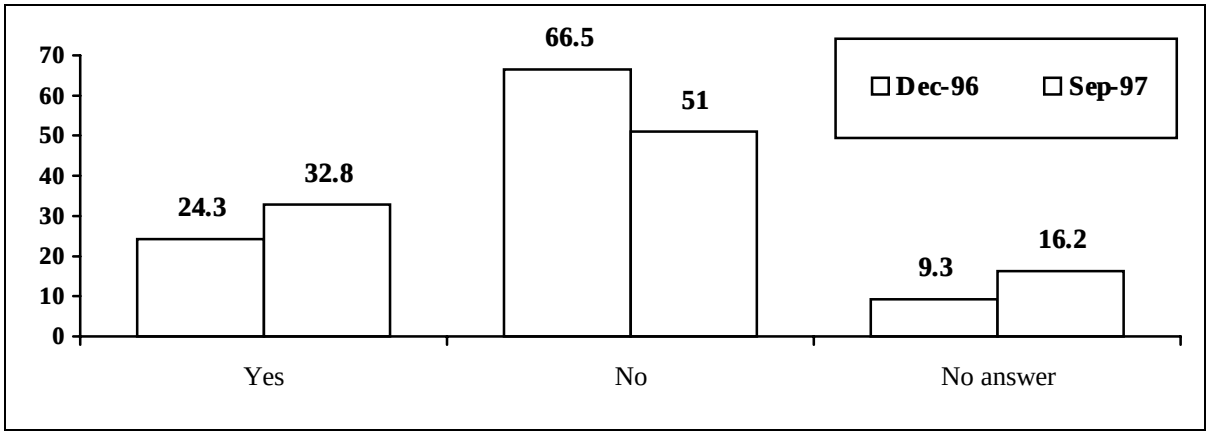
Share of Respondents Willing to Seek NGO Assistance for Resolving Social Problems, in %



Source: Attitudes to Charity and the Bulgarian NGO Sector: 1994 - 1997, 1997, op. cit., p. 9.

Figure 9

Share of Respondents Willing to Seek NGO Assistance for Resolving a Problem of Specific Social Group %



Source: Attitudes to Charity and the Bulgarian NGO Sector: 1994 - 1997, 1997, op. cit., p. 8.

Data in Table 6 confirms the conclusion for a growing public confidence in the Bulgarian NGO sector. The share of those who regard NGOs as instrumental in mobilising additiona

funds from the EU and other international organisations to alleviate the social and economic problems of the country has increased. Simultaneously, the share of those considering NGOs as a tool for enriching dishonest individuals and mechanism for money-laundering has decreased. The analysis of public opinion data indicates a positive shift in public attitudes to NGOs. In spite of the existing skepticism about the real capabilities of the NGOs to resolve serious social problems, because of the decreased capacity of the state to provide socia services, there is a growing public belief that NGOs can be particularly helpful in the areas o health care and ecological problems.[55]

Table 6

Public Opinion on the Bulgarian NGO Sector, in %

Attitudes	December 96			September 97		
	Rather yes	Rather no	Don't know/ no answer	Rather yes	Rather no	Don't know/ no answer
NGOs ensure quick enrichment of dishonest individuals	25.7	25.4	48.9	26.1	32.1	41.9
NGOs are a mechanism for money laudering	24.3	21.0	54.6	22.9	30.9	46.2
NGOs facilitate to mobilise additional funds from the EU and other international organisations to aliviete the social and economic problems of the country	36.2	10.9	52.9	57.8	5.6	36.6
NGOs are agents of foreign interests and influence	20.1	24.8	55.1	20.8	35.8	43.4
NGOs revive a noble Bulgarian tradition	51,9	11,5	36,7	62,4	7,8	29,7
NGOs are helpful for the survival in these difficult times	45,7	16,0	38,3	61,3	9,7	29,0
NGOs provide opportunities for the citizens to defend better their interests and to participate in the solution of important problems	34,1	18,7	47,1	50,7	12,7	36,6
NGOs are not useful and not necessary	8,8	51,8	39,4	7,7	60,8	31,6

Source: Attitudes to Charity and the Bulgarian NGO Sector: 1994 - 1997, 1997, op. cit., p. 8.

The NGOs and Local and Central Government

In Bulgaria the transformation since 1990 did not bring about any clear cut pattern of interaction between the government and the NGO sector. In spite of the formal withdrawal o the state from the voluntary sector, as has been already pointed, the interaction pattern *"government to NGOs"* in Bulgaria and other CEE countries fluctuates between paternalism, rivalry and mutual neglect. In the new political environment NGOs have to optimise between maintaining their autonomy and receiving funding and legal regulatory support fro government [56] The main challenge of the CEE NGOs relationship with government is the balance between operational, including funding needs and program cohesion. As pointed by

[55] See: Attitudes to Charity and the Bulgarian NGO Sector: 1994 - 1997, 1997, op. cit., p. 13.
[56] See: Ewa Les, 1994, op. cit., p. 35 and Ivan Krastev, 1995, op. cit.

Ewa Les, the relationship between government and the voluntary sector has moved from mutual prejudice to developing a climate of confidence.[57] In Bulgaria these relationships have experienced a number of ups (at least in the promises of politicians) and downs. However, since mid 1997 the quality of this dialogue in Bulgaria has visibly improved and the mistrus and the paternalistic attitude of government has been subdued. Nevertheless, the level of co-operation in Bulgaria is lower compared to Poland Hungary and the Czech Republic, where governments have clearly recognised (though not without disputes) the vital role of the of the NGO sector in building the civil society. According to Les, the dialogue in these CEE countries has led to the understanding that government should:

- Assume a funding function, in spite of the financial difficulties in order to guarantee the survival of the sector and provide the most underprivileged groups with access to the needed basic goods and services;
- Undertake regulatory functions, choose priorities and ensure the appropriate legal economic and social environment for the development of the NGO sector and institutionalise the relationships between the voluntary sector and the state;
- Secure the necessary level of decentralisation in the provision of public goods.[58]

In Bulgaria the level of understanding of these issues is somewhat lower. One of the explanations is the delayed reform and the urgency of other issues which are considered as more important on the decision making level. As an example of good *government-to-NGO* relations should be regarded the participation of NGOs in the distribution of social payments under the Phare Emergency Social Assistance Program in 1997 and 1998 (ESAP-1 and ESAP-2). NGOs were involved as members of the local Civic Councils. They contributed to the identification of the target groups, and were overseeing the regularity and accuracy o disbursements. The overall monitoring and evaluation of the program and the study of its social impact were executed by NGOs with research capacity - Club Economica 2000 and the Center for the Study of Democracy. Another example is the adoption of the new Social Assistance Act in May 1998. It creates general regulation for the participation of NGOs in offering and providing social services. It also envisages public and NGOs monitoring and control on the activities of the National Social Assistance Program. These are positive developments in the relations between NGOs and government institutions, and they should be attributed mostly to the more open and co-operative attitude of the present democratic government towards the NGO sector.

Different studies reveal the most typical problems in the relationships of Bulgarian NGOs with government. They can be summarised in the following wa [59]:

- There is an unequal access of NGOs to different government institutions. The access to government agencies depends on both location and field of activity. Usually NGOs in the capital city have easier access to central government agencies. Provincial NGOs lack the information and the skills to approach government institutions and sometimes they do no have the necessary self-esteem to make these contacts. On the other hand, NGOs from the capital city have unequal access, depending on their main field of activity. Usually NGOs engaged in education, social assistance and health care receive more easily governmen attention and understanding. The same applies to think tank type of NGOs, particularly if

[57] Ewa Les, 1994, op. cit., p. 36.
[58] Ewa Les, 1994, op. cit., p. 37.
[59] *The Potential of the NGO Sector to Participate in the Bulgarian Accession to the EU* , 1997. Sofia: Civil Society Development Foundation, p. 8 (Original in Bulgarian).

they have political orientation similar to the one of the government. Much more complicated and difficult are the relationships with government of advocacy groups, ecological and cultural groups or the politically independent think tank type of NGOs.

- One of the major differences of the *government to NGO* relationships in Bulgaria, compared to Poland, Hungary and the Czech Republic, is that Bulgarian NGOs rarely seek financial assistance from the state. Most of the NGOs' requests are related to access to information, administrative assistance and co-operation for the accomplishment of one or another project. For instance, if an NGO is involved in early warning, civil control on the institutions or other similar activities, the co-operation of the respective state organisation is essential, at least for securing the information. The prevailing opinion of Bulgarian NGOs is that at the moment the access to information is extremely difficult and that the administration restricts the constitutionally guaranteed right for information. In some cases government agencies tend to charge fees for information which makes it inaccessible. Some of the NGOs have encountered dismissive attitude from the administration and reluctance to release basic information without the permission of superior management [60]
- Over the last years, the Bulgarian *NGO to government* relationship has been handicapped by the frequent changes in the administration, on average nearly every year since the beginning of 1990.[61] Hopefully, the reform of the public administration will guarantee the necessary sustainability which is needed for the development of the strategic partnership between the NGO sector and the government.

NGOs and Local Government[62]

The partnership between Bulgarian NGOs and local government is successful only in the instances when there is a mutual co-operative effort. Recent surveys among NGO leaders point to the fact that partnership between NGOs in the capital city and local authorities are more successful than those between NGOs and local authorities in the country side. [63] The higher level of co-operation in Sofia can be attributed to the more informed loca administration and to the concentration of a larger number of NGOs in the capital city. Las but not least, a positive factor is the highly co-operative attitude of Mayor Sofianski who has an excellent understanding of the role of the NGO sector.

In the country side, however, local authorities are less willing to co-operate with NGOs which is different from Poland and Hungary, where a large number of NGOs operate successfully on a local level. This can be attributed to the insufficient knowledge of the municipa administrations in the country of the NGOs in their region, the smaller concentration of NGOs and the fears of the local authorities that they can be involved in projects of illegitimate NGOs,

[60] For instance, the implementation of the Bulgarian Early Warning System, a UNDP project involving three Bulgarian NGOs, came across major difficulties in procuring information. One of the difficulties was the reluctance of the Bulgarian Ministry of the Interior to provide on a monthly basis information on crime rates in spite of the fact that the government releases this information on a quarterly and annual basis. The main excuse was that any information prepared by the Ministry, according to existing internal regulations is classified. The release of the information was finally granted by a very high ranking police officer. Simila difficulties were encountered with information needed from other government agencies.
This type of problem is described in *The Potential of the NGO Sector to Participate in the Bulgarian Accession to the EU*, 1997. Sofia: Civil Society Development Foundation, p.8 (Original in Bulgarian).
[61] From mid-1990 until 1998 Bulgaria had eight subsequent governments.
[62] More details on Bulgarian *NGOs - Local Government* relationships are provided in Chapter 4 of this study.
[63] *The Potential of the NGO Sector to Participate in the Bulgarian Accession to the EU* , 1997. Sofia, Civil Society Development Foundation, p. 7 (Original in Bulgarian).

thus becoming targets of public criticism.[64] For this reason local governments prefer to co-operate with "traditional" NGOs such as women's groups, the Red Cross, the *chitalista,* the Union of the Handicapped, etc. which have longer history and clear social status, aims, objectives, modes of funding and public image.

NGOs and Media

The relationships between the media and the NGOs are very important for the development o the voluntary sector and the civil society. The image of the NGOs created by the media has a strong impact on the public confidence. These relationships vary from country to country. Maybe Hungary and Poland are one of the few examples of where the media and NGOs have sought each other in order to establish good working relationships.[65]

In Bulgaria, however, it is difficult to find examples of neutral or positive presentation of the activities of the NGO sector. In the beginning of the transition the media concentrated on the fraudulent activities of a few NGOs. Since then, the Bulgarian media tends to concentrate on sensations and conflicts in the NGO sector, rather than on the socially important but no so news attractive activity of the NGOs.

Furthermore, very few Bulgarian reporters are attentive and interested in the developments o the NGO sector. The general attitude of the Bulgarian media is that it is not part of the NGO sector, on the contrary, this a business which has to provide information that is demanded b the customers. The NGOs probably have useful and interesting activities but the dissemination of this information is a matter of their own public relations. [66]

One of the studies of the Bulgarian press reveals that the number of publications on NGOs is not so insignificant[67]. For a period of nine months in four leading newspapers there were more than 700 publications, focused on the NGO sector. Most of these publications are short informative news (500) and very few of them are in depth materials such as analyses, reports, commentaries and interviews. The majority of the materials in the study were neutral (little less than 500) and there was almost an equal split of positive (100) and negative (125) materials. However, most of the large, in-depth materials which can be easily remembered were negative. The other alarming finding of this study was that in the newspaper with largest circulation (24 Hours) the ratio between negative and positive materials is ten to one. [68] In terms of vocabulary, the work of NGOs is predominantly described with negative words, which has a disastrous impact on the image of the NGO sector. For instance, in the newspaper 24 Hours there are sixteen repeatedly used negative words and phrases against one frequently used positive phrase.[69]

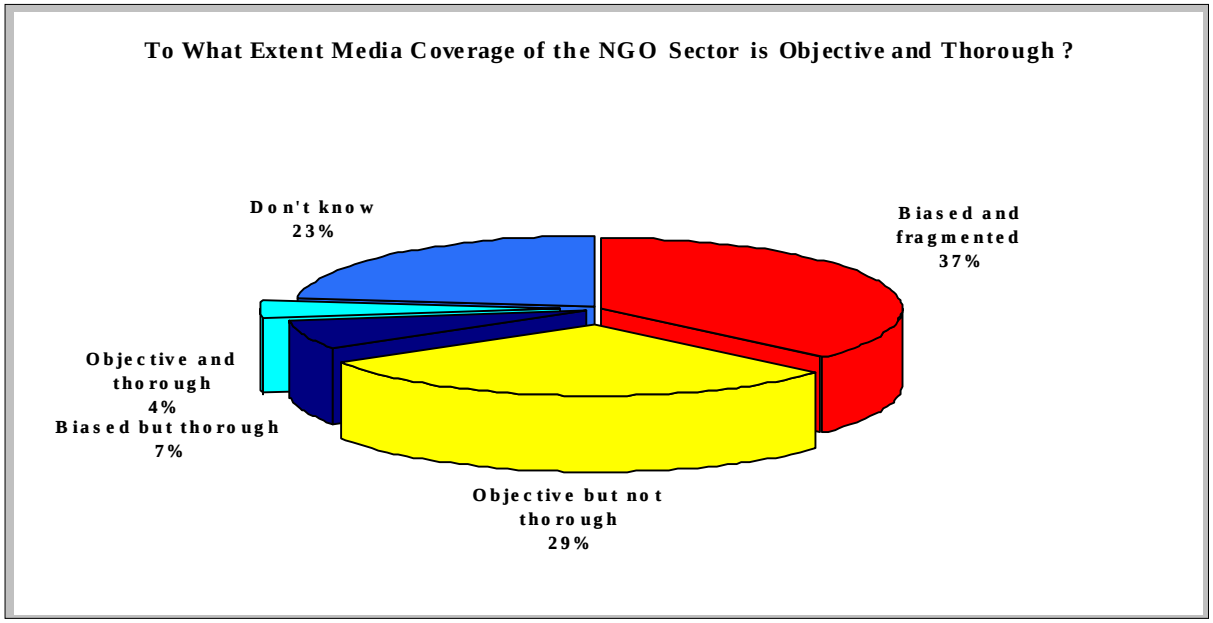
Survey data on the objectiveness of Bulgarian media coverage of NGO activities, based on the opinion of Bulgarian NGO leaders, reveal that only 4% of the respondents consider the medi as covering the activity of the NGOs objectively and thoroughly. The majority of the respondents consider the coverage as biased and not thorough (37%) and 29% of the sampl regards the media coverage as objective but not thorough (Figure 10). The majority of NGO leaders (62%) are very sensitive to negative publications and think that these publications are a

[64] Ibid., p. 7.
[65] Ewa Les, 1994, op. cit., p. 40.
[66] *The Potential of the NGO Sector to Participate in the Bulgarian Accession to the EU* , 1997. Sofia: Civil Society Development Foundation, p. 9 (Original in Bulgarian).
[67] Evegeni Dainov, 1995, *op. cit.,* p. 12.
[68] Ibid.
[69] Evegeni Dainov, 1995, *op. cit.,* p. 13.

major obstacle for the efficient work of the voluntary sector.[70] These finding were also confirmed by the structured interviews of the Dainov's study which revealed a consensus among politicians, business activists and NGO leaders that the media coverage on NGO activities is not adequate, insufficient, fragmented and tends to portray the NGOs in a negative way.[71]

Observations on the press coverage during May 1997 - May 1998 suggest a tendency for more balanced and objective presentation and interpretation of NGO activities. The other prevailing tendency observed is that the media coverage of events organised by NGOs is more regular and frequent. Dominate topics related to NGO participation in beneficiary events, provision of social services, delivery of humanitarian aid, organisation of events for children from social care institutions, etc. Topics related to the NGO sector are discussed both in daily and weekly periodicals. Almost every day the media releases brief comments on charity events, campaigns, seminars and public debates. For example the specialised in economic issues Kapital weekly newspaper discussed consequently the "red" and "blue" sections of the NGO sector. Mos intense attention attract the charitable activities of the foundations headed by the spouses o political leaders.

Figure 10



Source: Evegeni Dainov, 1995, Data Appendix.

Interactions within the NGO Sector

The interactive pattern within the NGO sector is indicative of the stage of development of the civil society in CEE. The networks of NGOs on both the national and local levels have to foster relationships of confidence and co-operation within and outside the voluntary sector. These networks may lead to the development of umbrella organisations such as unions, resource centers, federations or chambers which have to facilitate further the development o the NGOs in the respective countries. The presence of such institutions, in theory, has to

[70] See Evegeni Dainov, 1995, *op. cit.*, Data Appendix.
[71] Ibid.

ensure higher professional standards, accountability within the sector and to reinforce the legitimacy of the sector in the public mind.

The most encouraging examples of positive developments of the intra-sectoral relationships can be found in the Polish NGO sector. For instance, the Polish Foundation Foru concentrated successfully the efforts of the NGO sector in order to change the existing lega framework for the voluntary organisations. Similar examples can be found in Hungary and the Czech Republic and even in Bulgaria.[72]

However, the intra-sectoral relationships of the NGO communities in CEE are more limited compared to the ones in Western democratic societies. This characteristic of the NGO sector in CEE is determined by many factors, the most important of which are the following:

- The insufficient financial resources are a major obstacle for fostering of co-operative relationships with the NGO sector. There are only a few donors, operating on a national level in CEE and most of the cases these are the local Open Society Foundations, the Phare Democracy programs and the USAID funded Democracy Network Programs. On the other hand there are not so many international donors, interested in funding CEE NGOs.[73] The current funding situation stimulates vigorous competition among NGOs for availabl funding rather than co-operation. For example, the for each of the two CSDF programs there are around 1000 pre-applications per funding round, out of which 10 - 15% per cent can be funded.[74]
- The underdeveloped communication network does not provide enough communication channels within the NGO sector. The lack of information of who is doing what hampers the co-operation and dialogue among NGOs and leads to competitive duplication of activities.
- Another reason is the instinctive behavioural pattern to resist any form of unity, organised from above, because of the bad reminiscence of some legacies of the previous regime. For instance, the initial discussions for the establishment of the Union of Bulgarian Foundations and associations were more than an year long and one of the reservations was the fear not to develop an organisation of a totalitarian type. [75]

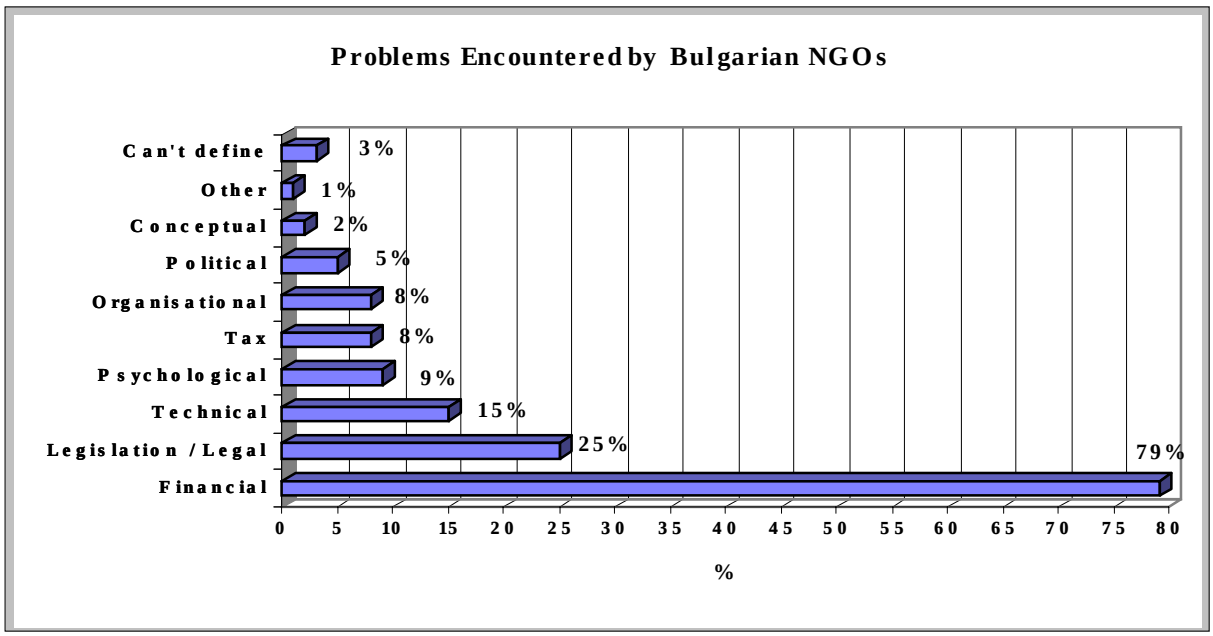
Some of these factors, e.g. the scarcity of financial resources, have a very strong impact on the development of the Bulgarian intra-sectoral relationships. As seen in Figure 11 on p. 33 the most common problems of Bulgarian NGOs are financial, legal, technical, psychological, tax and organisational. This range of problems has a detrimental effect of the development of the NGO intra-sectoral relationships and has led to the degrading of the Union of Bulgarian

[72] One of the few meaningful achievements of the Union of Bulgarian Foundations was the amendment for the protection of bank deposits and accounts of the NGOs. However, the procedures are so clumsy and so reluctantly enforced by the Ministry of Finance that probably no NGO has managed to make full use of them.
[73] Since 1998 USAID is restructuring the Democracy Network Program by creating a US $ 100 ml. fund fo Poland, Hungary and the Czech Republic. One of the expectations is that the fund could attract othe international donors.
[74] My experience as a chair of one of the CSDF funding committees is that in 1995 - 1996, at the beginning of the CSDF program, there were less than 100 applications in a funding round. The situation with the Phare Democracy and LIEN micro-projects is similar: in 1995 - 1996 there were around 100 applications for 10 - 15 grants, while at the moment for the same number of grants the number of applications is usually above 350.
[75] In his capacity of executive director of the National Academic Foundation, in 1991 - 1992 the author has been actively involved in the discussions for the establishment of the Union of Bulgarian Foundations

Foundations and Associations to an "ordinary" NGO, competing for funding with its own members.[76]

The lack of developed intra-sectoral relationships, apart from stimulating competitive relationship among NGO, creates additional undesirable effects. Being not exhaustive one can point to the following spin-offs resulting from the lack of developed intra-sectora relationships:

Figure 11



Source: Evegeni Dainov, 1995, op. cit., Data Appendix.

- Larger degree of neo-politicisation of the non-profit sector in East Central Europe. [77] This phenomenon is very typical for Bulgaria, where the client NGOs tend to rotate around the two big donor foundations (CSDF and OSF). Each of these two donors is associated with the opposing end of the Bulgarian political spectrum and tends to develop its own network of NGOs.[78]
- Well established and larger NGOs tend to intercept fruitful ideas and initiatives of smaller NGOs.[79] Bulgarian experience points to a number of cases to that end. One of the reasons is that sometimes smaller NGOs do not have the capacity (mostly financial, sometimes human) to explore all of the stages of the life cycle of a productive idea. On the other hand, the practice of creating coalitions of NGOs is not very common and well developed as larger NGOs think that they can perform successfully without the help of others, and

[76] The negative evolution of the Union of Bulgarian Foundations and Associations is described in greater detail in the following paragraphs of this chapter.
[77] See Ewa Les, 1994, op. cit., p. 35.
[78] This fact has been explicitly pointed by Jovo Nikolov who claimed that CSDF was founded with the active support of the socialist government of Zhan Videnov in order to develop an alternative and counterbalance to the OSF in the Bulgarian NGO sector. See Jovo Nikolov, 1997. *CSDF - Central Bank of the Civil Society*, Kapital, 6 - 12 October 1997, p. 31. (original in Bulgarian).
[79] A number of Bulgarian NGOs claim and complain that the pre-application procedures, adopted by the CSDF and the Democracy Network Program, which require the submission of proposal ideas as a first step of the selection processes, has led to transfer of ideas from smaller to larger NGOs without even any form of acknowledgment.

smaller NGOs have fears for absorption.[80] In this respect, one of the self-protection actions of smaller NGOs is increased publication and media activity which in its turn also requires financial resources.

- The most negative spin-off is the fragmentation of NGO sector, the scarcity of interactiona patterns and the dominance of sector-minded and / or politically oriented NGO groups.

In Bulgaria, examples of NGO networks could be the Union of Bulgarian Foundations and Associations (UBFA) - an umbrella organisation of 248 Bulgarian NGOs, the regional NGO resource centers and the initiated by the big donor foundations Bulgarian Donors' Forum. Now UBFA unites 248 associations and foundations. The number of members is constantl diminishing. In 1997 the "big two" Bulgarian foundations (OSF and CSDF), along with dozens other NGOs terminated their membership in the Union, thus demonstrating negative attitude towards its policy. The UBFA acts more as an "ordinary" NGO in terms o fundraising and working on projects instead of concentrating on activities of common interest for the NGO community - enactment of new legal regulations, attracting of new foreign donors, offering methodological support and information related to funding opportunities, confidence-building and resolution of conflicts within the sector, lobbying in the Parliament, protecting the financial assets of NGOs immobilized in commercial banks under bankruptcy, etc. In spite of the received from CSDF funding the Union failed to organise a nation-wide NGO information and resource center. Subsequently, the UBFA has degraded to a competitor of the "ordinary" NGOs, instead of becoming the true supporter and developer of NGO sector.

The Bulgarian Donors' Forum (BDF) is an informal association of the local and foreign organisations-donors and supporters for the NGO sector in Bulgaria, established following the pattern of a similar forum in the Czech Republic, and aiming at raising the efficiency of the donors' financing, encouraging local philanthropic culture, and promoting long-term sustainability of the NGO sector. The rationale for its establishment is the presence of a ver limited number of donors in Bulgaria and absence of co-ordination of their policies and activities. As its immediate goals BDF envisages:

- Facilitating the dialogue between donors and creating mechanisms for efficient information exchange between donors on funded projects, project activities, implementation, drawbacks and impediments in order to avoid duplication and overlapping of projects;
- Identifying donors' interests;
- Joint organisation and financing of conferences for the attraction of new donors;
- Lobbying in favour of the establishment of conducive legal, political and economic environment for the operations of NGOs.

The Forum's meetings are regularly attended by representatives of OSF, CSDF, USAID, USAID Democracy Network Program, USA Democracy Commission, the Delegation of the

[80] For instance topics such as the Civilian Control of the Police and the Army were introduced in 1995 - 1996 by a small NGO - Department of International Relations Association (DIRA). Since the several other bigge NGOs became active in this field. The other field introduced in by DIRA in 1997 was the Competitiveness of Bulgarian Industries and its role for the future industrial development of the country, which has been currentl adopted as a field work by a larger think tank type of Organisation - The Institute of Market Economics. However, in 1997 - 1998 there are some positive developments in that respect. For example, the Center for the Study of Democracy formed a coalition of smaller NGOs (Coalition 2000) to study corruption and fight against it. The Institute of Market Economics also tried to involve, though much more informally, experts from othe NGOs to participate in its work on international competitiveness.

European Commission, British Know-How Fund, Charities Aid Foundation, "St. St. Cyril and Methodius" International Foundation, UNDP, the World Bank, 13th Century Bulgaria Fund, embassies, etc. The Forum's major enterprise in 1998 will be the organisation in October a national NGO conference in Sofia.

Chapter 4

Bulgarian NGO Sectoral Development: Case Studies

Think Tank Non-Governmental Organisations

One of the typical features of the Bulgarian NGO sector is the existence of numerous private think tank organisations, committed to provision of alternative ideas and innovative solutions for current social, economic and political issues. With a few exceptions they operate in the capital - Sofia. The emergence and viability of these organisations is associated with:

- The availability of adequate human capital - unemployed or partially employed professionals in the field of social and political sciences, sociology, economics, etc. as a result of the closure of state and Communist Party research institutes, and following the drastic cut of budget financing for state research institutions, the Bulgarian Academy o Sciences and universities;
- The existence of vast unoccupied research areas due to disintegration of old research institutions, financial restraints and limited potential of the state research and academic units, inertia, lack of flexibility and incentives to enter new fields of research;
- Preference of Western donors towards funding non-governmental think tanks rather than investing in previously existing state academic and ministerial institutions;
- Also absence of serious competition from universities in terms of attracting financing under different international programs due to bureaucratic delays, slow decision making, etc.;
- Lack of professional opportunities and employment options for qualified experts in the first and the second sectors as a result of the limited foreign investments, the lack of dynamis in the consultancy services sector, the collapse of the banking system, etc.;
- Rapid social changes, emergence of new and alternative types of political ideologies, new economic challenges and search for new forms of private initiative;
- More flexible labour and civil contracts which prove to be more acceptable for professionals with several parallel temporary commitments.

Think tanks unite colleagues from former state research institutes, university professors and former government officials and bankers. Compared to Hungary, Russia and Armenia Bulgarian think tanks have the highest concentration of colleague groups. [81] The presence in think tanks of qualified professionals who take the risk to work under pressure and uncertainty and actively seek funding to advocate and make popular their ideas establishes these organisations as definite leaders of the NGO sector and as one of the most influential segments of Bulgarian civil society. Indicative for their relative social importance is the fact that in 1997 think tanks have absorbed about US $ 5 million which is approximately 20% of the total "NGO market".[82] Out of around 5000 registered non-governmental organisations about 5% could be classified as think tanks taking into consideration their objectives and target audience.

[81] According to assessments of the Center for the Study of Democracy and the Urban Institute, Washington, DC.

[82] Stoyanov. A. and T. Bezlov. 1997. *Review of the Think Tank Activities in Bulgaria*. Sofia: Center for the Study of Democracy, p. 14.

Think tanks perform heterogeneous functions mixing up research and analysis with consulting, training, organisation of seminars and conferences, education, editing and publishing, sociological and marketing surveys. The basic reason underlying such a policy stems from the donors' requirements for wider dissemination, policy and public effects of their funds. The other main reason is that every think tank tries to engage in as wide as possible sphere o activity and to maneuver over a larger spectrum of the limited market in order to secure its eligibility for future funding. Nevertheless, one can observe certain degree of specialisation, which is typical for the smaller organisations which try to identify "niches".[83] Larger and more complex projects allow information sharing, combination of efforts and co-operation between different think tanks. One of the best examples is Coalition 2000 - a framework for joining the efforts of a dozen of think tanks over issues related to the fight against corruption, headed b the Center for the Study of Democracy. Another good practice is the co-operation of think tanks and individual experts on the functioning of a system for early warning and prevention of conflicts headed by DIRA

The co-operation of think tanks with state institutions is still limited, although they strive to play wider service providing role. Up to now users of their products have been the Council of Ministers, most of the ministries and state agencies. Among the think tanks which provide expertise in the field of economic development and restructuring are Club Economica 2000, Institute of Market Economy, Economic Policy Institute, DIRA, and the newly established with the financial support of George Soros pro-government Center for Economic Development. A number of think tanks are also involved in providing political advice, information and consulting, among them the Center for the Study of Democracy, Institute for International and Regional Studies, Center for Liberal Strategies, Center for Social Practices, Access Association. Several think tank type organisations as the Open Education Center are involved in the provision of educational services, development of training methodologies and conducting of seminars. The main forms and methods for think tanks to reach decision-makers are policy recommendation papers, conference proceedings, analytical reports, media events and dissemination of published books and monographs. Think tanks demonstrate adaptivity to new priorities of government policy and flexibility with respect to areas of interest. Still the society does not make full use of the potential of think tanks for advocating social, political and economic changes.

All Bulgarian think tanks were established with initial foreign support. They are active grant-seekers and are still heavily dependent on foreign funding.[84] Limited financing remains the most serious constraint for their operations and growth. Only a limited number of organisations have attained medium-term financial independence based on building stable partnerships with Western counterparts. Smaller think tanks rely on accidental funding and survive on a "project-after-project" basis without being able to adopt longer-term strategies and policies. Also, not all foreign donors for Bulgaria have as their priority financing of

[83] For example, DIRA specialises in the field of monitoring of political and economic indicators, and development of early warning and conflict prevention mechanisms; PACE is involved in consulting and seminar organisation for political leaders; Club Economica 2000 develops projects related to social care and social welfare issues; BECSA is involved basically in the study of the impacts of the accession of Bulgaria to the EU; Democracy and Security Foundation works on civil-military relations and the social adaptation of those who leave or retire from the army, etc.

[84] Johnson, based on a survey of 16 think tanks in CEE concludes that most of them "could not have been established without substantial foreign assistance from grant-making institutions" (See Johnson, E.C. 1996. Think Tanks: A Voice for Reform, in: Economic Reform Today, No. 3, pp. 9-14). For the same conclusions see also: Quigley, K.F.F. 1997. For Democracy's Sake: Foundations and Democracy Assistance in Central Europe. Washington, DC: The Woodrow Wilson Center Press, p. 70.

research projects of think tanks. Among the most important funders for such projects are the Open Society Institute, the Freedom House - National Forum Foundation, the German Marshal Fund, the United Nations Development Program, the World Bank, Phare ACE Program, NATO Democratic Institutions Fellowships Program. The Civil Society Development Foundation used to support research projects with policy implications especiall at the early stage of its operations. The Democracy Network Program financed by the USAID has supported only 8 think tanks out of 111, which is the total number of funded organisations for the period 1995-1998. [85] Researchers and analysts of the NGO sector admit that the funding sources predetermine to a considerable extent the standards for project managemen and organisation. In the early 1990s US agencies were the main provider of funding and "thi is one of the important reasons for Bulgarian think tanks to copy and adopt the typical American models of organisation of think tank activities. [86]

The fields of expertise of think tanks change with great degree of flexibility along with the changing funding priorities of the donors. "Quite often concentration or diversification depend on the shifts in the strategy focus of the main donor organisations". [87] The foreign funding - direct or indirect (through domestic intermediary support organisations as the OSF, CSDF, USAID Democracy Network Program) is not evenly distributed. The lion's portion goes to the biggest think tanks acting in support of the policy decisions of the present government. [88] This enables them to implement simultaneously several multi-disciplinary projects and to have a broader profile of activities.

Part of the think tanks emphasise on being independent, non-political and non-partisan organisations, while others declare their political biases and ambitions to play a role in polic formulation and implementation and are established by people with clear political orientation. The "red section" of the NGO sector is occupied by foundations established by leaders of the Bulgarian Socialist Party - Solidarity Society Foundation, European Social Values Foundation, Sofia Foundation, Forum for European Policy Foundation, St. Cyril the Philosopher Foundation, Center for the Study of Social and Political Change.

The policy of the Euroleft party is supported by the research activities of three major think tanks: Center for Strategic Studies 21 Century Foundation, New Left Foundation and Association ADAPT. The social-democratic ideas are advocated by- Ianko Sakazov Foundation, which belongs to the Social Democratic Party, and by Social Bulgaria Foundation belonging to the United Labour Party. Liberal ideas are promoted by Zheliu Zhelev Foundation, established by the former president and bearing his name. The activities of the civil organisations affiliated with the leftist political opposition basically reproduce the conflicts between the different party factions.[89]

Clearly oppositional NGOs confronting the official Government positions for example towards NATO enlargement or Bulgaria's accession to the EU and practically acting as substitutes for political parties (as was the case with Ecoglastnost in the late 1980s) do not exist now.

The "blue section" of the NGO sector is constituted by Democracy Foundation, Second Victory Foundation, Political Academy for Central and Eastern Europe, Center for Socia

[85] *Support for Bulgarian Non-Governmental Organisations for the Period 1995-1998* . Democracy Network Program. Institute of Sustainable Communities. Information Brochure. Sofia, 1998.
[86] Stoyanov, A. and T. Bezlov. 1997. *Review of the Think Tank Activities in Bulgaria*. Sofia: Center for the Study of Democracy, p. 15.
[87] Ibid., p. 10.
[88] Trud, April 17, 1998.
[89] Kapital, April 6 - 13, 1998.

Practices. Democracy Foundation contributed significantly to the election of Stefan Sofiansk as a mayor of Sofia on the local government elections. Now its experts develop mathematical models and software for counting votes, and also elaborate theoretically the issues related to the transformation of the Union of Democratic Forces from union into a single party. Experts of the Center for Social Practices are advocating and testing the acceptance of initiated by the Government appointments of mayors of smaller towns instead of electing them.

In certain cases foreign donors to Bulgarian think tanks also express political biases. Analyses of the Center for the Study of Democracy point out that some of the donors insist on some form of political orientation of think tanks. As typical examples are quoted the activities o leading German foundations as Friedrich Ebert Foundation, Konrad Adenauer Foundation, Friedrich Nauman Foundation and Hanns Seidel Foundation. [90] Friedrich Nauman which advocates liberal ideas provides funding for Zheliu Zhelev Foundation, Konrad Adenauer which stands on Christian-democratic positions is a partner of Democracy Foundation, while Friedrich Ebert funds initiatives of leftist formations. Given the financial fragility of the think tanks and their almost full dependence on foreign financing political motivation of funding can jeopardise their independence and non-partisan status.

The opportunities to raise money from domestic sources are still limited. The relations of Bulgarian think tanks with the business community are quite fragile. They do not rely raising funds from the local businesses and their development strategies are based on the assumption that Western financing will continue to flow into the country. Only a very limited number of organisations have experienced raising of corporate funding. Attracting funds fro Bulgarian sources is very difficult for them for numerous reasons:

- The deep economic crisis and suppressed for a long time economic activity during the transition period and lack of financial resources in the business community;
- Bankruptcies of the biggest private corporate donors;
- Sharp depreciation of the national currency in late 1996 and early 1997;
- Absence of tax incentives for donations, philanthropy, charity and sponsorship;
- Aptitude of businesses to establish their own research departments or units to conduc research, marketing, consulting and other activities which are inherent to think tanks.

The prospects for Bulgarian think tank organisations seem positive. There will be room for their operations in the future, but in an environment of increased competition for political influence, concurrent areas of activities, and under the pressure of severe rivalry for foreign and domestic funding. The trends to mutual co-operation and interaction with the Government and the corporate sector will become more explicit. The think tanks will be pressed to act both as fund-raisers and service providers, and will gradually enter the competition for state funding for research and development along with the universities and the state research institutes.

Co-operation between Local Governments and Civic Organisations

The community sector in Bulgaria is new and still not extensively developed. The lack o mature linkages, programs and mechanisms to support the co-operation between loca

[90] Stoyanov, A. and T. Bezlov. 1997. *Review of the Think Tank Activities in Bulgaria*. Sofia: Center for the Study of Democracy, p. 15.

governments and NGOs which is observed in the countries from Central Europe[91] is typical for Bulgaria as well. Most of the initiatives are primarily "first-step" ones and aim at introducing dialogue between NGOs and local governments to bring these two sectors together and make them consider the benefits of mutual co-operation. Only a few initiatives have already successfully institutionalised cross-issue NGO-municipal partnerships. Community-based philanthropy is a quite new phenomenon for this country as the local fund-raising capacity is low because the accumulation of private wealth is still in its initial stage. Giving for community charity is not encouraged through tax incentives for individual and corporate donors.

Attitudes and expectations that the state is supposed to bear the principal responsibility for solving of community problems and for launching and implementation of local development projects have been prevalent in Bulgaria for years. Nowadays NGO initiatives promoting co-operation for regional development gradually substitute government programs which have a limited impact due to budget constraints, scarce resources and also because they are no participative. The country still experiences humanitarian needs and meeting them continues to be the immediate focus of foreign donors' efforts, thus lowering the priority of community development financing. The principal funding sources for community development NGOs are the EU Phare Democracy, LIEN and Partnership Programs, USAID, UNDP, Freedo House/National Forum Foundation, the British Know-How Fund, the Dutch and German embassies, Novib (Holland).

The community foundations' idea has been introduced in Bulgaria mainly through the implementation of joint projects with foreign partner organisations. The first projects aimed at institutional strengthening and capacity building, acquisition of skills in management and grant-making, sustainability, resource development, community leadership and sensitivity towards local issues. They built on the experience of community foundations from the developed market economies and Central European countries - European Foundation Center, Association of Community Trusts and Foundations ACTAF (UK), Northern Ireland Voluntary Trust, Foundation for Support of Local Democracy (Poland), NIDA Development Foundation of Nidzica (Poland), Boris Support Office for the Movement of Self-help Initiatives (Poland), Regional Fund Foundation (Czech Republic), United Way International (Hungary), Healthy City Foundation of Banska Bystrica (Slovak Republic), etc.

The main areas where the prospects for establishing partnerships for community developmen are the best and the needs for them - most urgent, cover the provision of social and health services, vocational training and retraining of unemployed, introduction of alternative employment, development of anti-poverty strategies and strategies for socialising o marginalized individuals and groups for economic, ethnic, religious and other reasons, taking of community care of people with disabilities, drug addicts and homeless children. A new Act on Social Assistance was enacted in early 1998 which envisages more room for the socia initiatives and projects of civic organisations. The law provides regulations under which NGOs working in the social welfare and health care fields can be licensed to act instead of the state and municipal agencies and collect fees for the services supplied.

The local government-NGO co-operation takes the form of:

Extending of grants for grass-root community initiatives. This is a form of financial support and resource providing to regional grass-root groups and organisations. It is offered from

[91] Daniel Siegel and Jenny Yancey, 1996. *An Initial Overview and Survey of Local Government and NGO Co-operation in Central and Eastern Europe* . Commissioned by the Institute for Local Government and Public Service Affiliated with the Open Society Institute: Budapest, Hungary, p. 1.

1995 on by the Foundation for Local Government Reform and C.E.G.A. (Creating Effective Grass-root Alternatives) alone, or in coalition with other Bulgarian NGOs. The grants are targeted to development of communities in transition, especially those with serious economic, social and demographic problems. Financing for such projects is provided basically by the Phare Democracy and LIEN Macro-projects and Micro-projects Schemes, Novib, The Westminster Foundation for Democracy (UK). The most significant project in this area is under implementation from April, 1997 till April, 1999 jointly by C.E.G.A., The Foundation for Local Government Reform and Novib. It aims at building participatory democrati experience and self-governance practices in the district of Smolyan (Madan and Devin municipalities) through dialogue and action oriented partnership between citizens and loca authorities.[92] Central for the project are the issues of education, environment protection, health care, job creation and small business development, community self-help.

Conferences, meetings and single-issue initiatives. A number of Bulgarian NGOs organise conferences, seminars and meetings bringing together NGO activists, municipal authorities and business leaders, and advocating wider and more active participation of the non-government sector in community development (e.g. Sustainable World Foundation, the regional clubs of Green Balkans Association, the Social Development Club - Dobrich, the local branches of the Association for Dissemination of Knowledge, OSF Clubs, the National Association of the Municipalities in Bulgaria, the Association of Danube Municipalities). Among the main sponsors of these initiatives are: OSF, CSDF, USAID Democracy Network Program. Discussions involve urban development, preservation of cultural traditions and historical values, opportunities for access to EU structural funding for regional development in the pre-accession period, etc.

Community foundations and other community-based institutions. In spite of the rising popularity of the community foundations' idea, up to now only a limited number of civi organisations in Bulgaria act as community foundations. The first one was established i Varna in the beginning of 1992 with the financial assistance of the Phare Democracy Program, the OSF and the Charles Stuart Mott Foundation. Later most of the OSF Clubs grasped the idea.[93] The policy of OSF Sofia and the Mott Foundation is to match 1:1 each donation raised locally, thus stimulating local philanthropy, and gradually building a donor constituency in the community. In mid 1990s several new organisations were started as community foundations - Nova Zagora Foundation, Zlatograd Community Development Center, Civic Movement for Local Development - Gabrovo, Zelenika Foundation - Sinemoretz, Rakitovo Foundation, Association for the Renaissance of Plovdiv, Foundation for the Development of Perustitza, Native Town Foundation - Tryavna, etc. Along with the traditional *chitalista*, these organisations collect information and knowledge about specific communities, try to identif and assess community needs, and to interact with local governments and businesses. Funding for community foundations establishment is provided also by CSDF, the Association of Community Trusts and Foundations (UK), the King Boudouin Foundation (Belgium).

The prevalent part of the community foundations and other community-based institutions is at the initial stage of development. Their institutional capacity is small. They are financially fragile and heavily dependent on implementing projects which are funded internationally. The legal environment does not allow them to become endowment-builders, and this prevents them

[92] *Change through Participation. Moving beyond Walls* . The Stolipinovo People Taking Charge of Thei Community. 1997. Sofia: C.E.G.A.

[93] For more details see: *Why Community Foundations?* Pilot Regional Meeting 24-26 April 1997, Warsaw, Poland, pp. 20-21, 53-56; 63-67.

from being grant-makers as well. One of the often quoted examples for successfully operating community foundation is Zlatograd Community Development Center [94] established in late 1995 with the strong support of Zlatograd municipality, and financial and technical assistance fro the USAID Local Government Initiative. The foundation was granted rent-free office space b the city, while local businesses donated labour and capital to renovate the office. It is working closely with the municipality and other public institutions (schools, hospitals, etc.) to sponsor educational activities, neighbourhood action groups, student advisory services, and to inform the public about municipal activities via a municipal information center. It is also acting as a regional development agency providing services and practical assistance to local businesses, and supporting local unemployed. The Community Development Center initiated the establishment of a local economic development commission to draft a local development strategy.

Agencies for regional development. With the financial support of the EU and USAID in the country were founded development agencies aiming at mobilising local resources for resolving key local development issues, among them the Agency for Regional Economic Development and Investments - Dobrich, Agency for Regional Economic Development and Investments - Smolyan, Regional Agency for Social and Economic Development - Haskovo, etc. Agencies focus on launching development projects and on promoting co-operation of different regional actors for overcoming the negative effects of privatisation and economic restructuring on employment and income levels, personal security, social safety. They make efforts to actively collaborate with the regional offices of the Bulgarian Red Cross, the regional chambers of commerce, branch associations and the municipalities.

Community leadership and training programs. Bulgarian NGOs participate in councils for voluntary services and steering groups whose role is to create liaison between loca organisations, offer them services such as training, and help the development of new organisations with technical support, advice, expertise, publishing of newsletters, etc. Key role in this field play the NGO resource centers in Plovdiv, Stara Zagora, Pleven, Bourgas, Sliven, Razgrad, also the OSF Clubs. The CSDF is launching a program for the identification of prospective community leaders and their training in successfully operating community foundations in CEE for enhancing of citizens' participation, coalition building, local problem and conflict resolution, effective advocacy and campaigning.

Programs for co-operation. Their popularity in the countries from Central Europe is rising bu they are still not widespread in Bulgaria. A typical example is the 1995 Co-operation program between the City Council and over 100 NGOs from the Polish city of Gdynia. The progra envisages services and activities of mutual benefit and interest: establishment of Citizens' Advice Bureau, publish jointly a bulletin, encourage NGO / municipal co-operation on fund-raising and participation in international programs, joint outreach through the local and national media, building of coalitions of local NGOs and citizens to solve local problems in partnerships with the municipality. Formal and comprehensive programs for co-operation can have positive effect on better co-ordinating and targeting the efforts towards regiona development both of NGOs and local authorities.

Self-help bureau and groups. These groups attempt to mobilise communities' own resources, capacities, and entrepreneurial potential through meetings, discussions, dialogue with loca authorities, and to jointly develop anti-poverty strategies. Most of them are initiated b

[94] Daniel Siegel and Jenny Yancey. 1996. *An Initial Overview and Survey of Local Government and NGO Co-operation in Central and Eastern Europe* . Commissioned by the Institute for Local Government and Public Service Affiliated with the Open Society Institute, Budapest, Hungary, 1996, p. 7.

C.E.G.A. in communities with compact Roma population as Stolipinovo (Plovdiv), Lom, Sliven, Rakitovo, Lozenetz (Stara Zagora). These type of communities form *a web of poverty pockets* with high rate of unemployment, growing illiteracy, chronic malnutrition, diseases and high rate of crimes. There the idea of self-help builds on existing family traditions of mutual support and reliance.[95] They provide opportunity for education for adults and children, children day care for single mothers, help organise pre-school education, secure access to acquiring of professional skills and vocational training, etc.

The current impact of the community development initiatives is positive. In some parts of the country there is already demonstrated willingness of local authorities, media, companies and citizens to get jointly involved in community actions. This confirms that the community foundations model is feasible and applicable in Bulgaria, and can be introduced and implemented successfully in order to stimulate indigenous civic initiatives. The active community engagement of NGOs in solving of the existing regional development and socia issues is essential, taking into account their scope, complexity and intensity. They can mobilise citizens' support for community development programmes and actions, and represent and advocate effectively different community interests.

Certain aspects of NGO activities limit their capacity to encourage co-operation with loca authorities for community development. Most of the NGOs which work for meeting community needs are registered and operate in the capital and no immediate contacts with the target audience. Often they work *for* or *instead* of the community, and not *with* the community. NGOs do not use a wide range of instruments for interaction with loca governments. Contracting, which is typical for the community sector in most Centra European countries and means decentralising of delivery of public services through NGO agencies, is still not rooted in Bulgaria. NGOs have not developed instruments for provision of expert advice, technical assistance and training for the local government and vice-versa. There is a necessity for better understanding the varied relationships, models and methodologies for such a type of *local government - NGO* co-operation and partnerships. Also, there is a lack of formal and comprehensive co-operation programs that create long-term, on-going and cross-issue mechanisms for engaging NGOs and local governments in a variety of relationships and partnerships. The greater part of the initiatives is episodic, short-term and sporadic, with inconsistency of activities, no systematic building on previous achievements, prevalence of single short-term effects to long-term impact

Raising financial resources for community development projects continues to be one of the most serious problems. The legal regulations in the country do not encourage endowment building. Paid services provided by NGOs are heavily taxed because they are treated equally as economic activities of profit-making organisations. For these reasons their fund-raising and grant-making capacities remain restricted. The number of international funders for community initiatives is limited. Donors that are active in other countries from Central and Eastern Europe are not present in Bulgaria. The US Institute of Peace is funding community projects in Poland and Romania. The Pew Charitable Trusts has financed the program "Citizen Participation in Poland - Toward a Civil Society; The Case of Small and Medium-Sized Cities" in Poland. Other possible funding sources which have not been explored thoroughly by Bulgarian NGOs are Freedom House / National Forum Foundation, Rockefeller Brothers Fund and Andrew Mellon Foundation. Future locally and internationally funded projects in this area can play a

[95] *Change through Participation. Moving beyond Walls* . The Stolipinovo People Taking Charge of Thei Community. 1997. Sofia: C.E.G.A.

crucial role contributing to the rebirth and cultivation of community philanthropy and participative democracy on community level.

Civic Organizations Protecting the Rights of Ethnic Minorities

The interests of the minority ethnic groups living in Bulgaria (Romas, Jews, Armenians, Wallachs, Aromanians) are represented by numerous civic organizations, the most active among them being: Roma Community Foundation, Roma Public Council - KUPATE, Romani Dai Bulgaria Foundation, Federation of the United Roma Communities, Armenian Organization, Jewish Organization ZION, Organization of the Jews in Bulgaria Shalom, Association of the Wallachs in Bulgaria, Chapter of the Aromanians within the Association o the Wallachs in Bulgaria. The "ethnic" NGOs advocate non-discrimination, strengthening the local democracy in minority communities, implementation of social relief and work support schemes for minority groups, transparency of public policy towards them, etc.

For various historical, political, cultural and economic reasons the different ethnic minority groups in Bulgaria are today facing specific problems and risks.[96] The Roma community appears to be most heavily affected by the adverse social and economic situation. For this reason the NGOs implementing projects for Roma people target their efforts towards:

- Fighting against the social and economic marginalization of the Roma community;
- Overcoming the high rate of unemployment, which covers up to 70-80 per cent of the active Roma population by initiating temporary job creation schemes and micro-credi schemes allowing the start of small family businesses;
- Struggle against the extreme poverty which endangers the physical survival of part of the Roma by providing humanitarian assistance, social care services, initiatives to preven further dropping of Roma children from schools, organization of day-care centers;
- Shelters for homeless as well as for women and children who are subject to family violence;
- Preventing the high degree of insecurity at both personal and community levels resulting from the negative bias of non-Roma communities towards the Roma, and also from the high rate of crime within the community;
- Overcoming the persistent marginalization of the Roma community, combined with rising disintegration within the Roma community itself.

The Jews and Armenians form small-sized ethnic communities which are comparatively fully integrated within the Bulgarian society, the underlying factors for that being the better than the average for the country education of the communities' members, the high degree of interna integration of both communities, as well as the extensive international links kept by the Jewish and the Armenian diaspores in Bulgaria. These communities enjoy the entire range of human and minority rights and freedoms made available to the ethnic groups in Bulgaria after the transition to democratic society. Under these circumstances the NGOs representing the communities target their efforts mostly towards developing the cultural and religious identity of the two diaspores. These NGOs also demonstrate a high level of preparedness for co-operation with the Bulgarian government in its efforts towards integration with the European and the Euro-Atlantic structures.

[96] *Change through Participation. Moving beyond Walls* . The Stolipinovo People Taking Charge of Thei Community. 1997. Sofia: C.E.G.A.

The Organization of the Jews in Bulgaria Shalom is among the most active and influential civic organizations. It is involved in a wide range of support activities: organization of charity events, exhibitions, cultural festivals, distribution of humanitarian aid coming from abroad, provision of religious and language education for Jewish children, consultancy on legal issues concerning restitution of land and other properties, emigration, studies in Israel, etc. Shalom encourages private donations from local and foreign sources, manages and oversees their distribution and utilization. It has renovated the building and maintains the Jewish Cultural Center in Sofia.

The main priority in the activities carried out by the NGOs of the Wallachs and Aromanians in Bulgaria relates to preservation of their cultural and ethnic identity, traditions and customs; avoidance of assimilation; reintroduction of their mother tongue for community use. They also cultivate expectations that following the signing by Bulgaria of the Framework Convention of the Council of Europe for the protection of national minorities, both the Wallachs and the Aromanians will be provided with the opportunity to study their mother tongue at school, as well as to carry out their religious practices in their language, so that, in a longer-ter perspective, to start creating literature and developing culture in this language, too.

The problems faced by the NGOs representing the minority groups in Bulgaria are similar to those as experienced by the entire third sector in this country. The main difficulties faced b them relate to the deficit of financial resources; their limited competence to efficiently advocate ethnic communities' interests; the indifference of the civil servants and unwillingness to co-operate; the obsolete legal regulations for their activities. Roma NGOs prove to be least prepared for efficient performance within such an environment.

The Council of Ministers of Bulgaria initiated the establishment of a National Council on Ethnic and Demographic Issues, in order to encourage NGO participation in decision-taking, to promote new dimensions of the partnership between NGOs and the public administration, to facilitate resolution of ethnic problems with collaborative methods. The National Council is supposed to play an important role in the development of a long-term strategy aimed at achieving mutual awareness and understanding between the different ethnic and religious communities in Bulgaria, as well as for cultivating tolerance and respect.

Ethnic civic organizations are actively applying for funding with Bulgarian and foreign sources. They implement project financed by CSDF, OSF, USAID Democracy Network Program, Novib and other donors to Bulgaria. C.E.G.A. and Access Association are the initiators of the first minority-oriented projects, targeted to community change and stimulation of local democratic practices. So far the foreign financing for such projects remains limited considering the complexity and acuteness of the existing problems. The donor community considers as being of highest priority projects that can contribute to integrating ethnic minority groups into the mainstream society, and have wider contribution to democratization and adoption of Western values and standards. The implementation of projects funded under the Phare LIEN Macro-projects and Micro-projects and other funding alternatives has brought to achieving better mutual awareness of the needs and interests of the different ethnic and religious communities existing in Bulgaria, and to more tolerance towards and protection o individual differences. The need for funding projects of this type in the future remains urgen and of primary importance. Future projects should be targeted to contribute to:

- Intensifying the dialogue between NGOs of ethnic minorities and the public administration institutionalized by the National Council on Ethnic and Demographic Issues with the Council of Ministers;

- Closer co-operation between NGOs for mobilizing their potential to reconcile the cultura differences between ethnic minorities in Bulgaria, and for more consistent efforts aimed a overcoming the still existing ethnic intolerance;
- Guaranteeing the unlimited access of ethnic minority groups to the national media;
- Restructuring the educational system and identification of solutions to make it more sensitive to the specific educational demands of minority ethno-cultural groups;

NGOs advocating ethnic minorities' interests work towards the establishment of cultural and information community centers; folklore presentations and festivals; exchange of experience about effective practices of ethnic problems' solving and communities' partnership building. They strive to promote building of self-reliance and entrepreneurial capacities among disadvantaged minority groups.

The resolution of the specific social problems of the Roma minority and its better integration into the Bulgarian society could be possible in case of implementation of larger-scale projects which involve efforts and inputs from the state (social investments to bridge community based initiatives), municipalities, civic organizations, businesses and the donors' community. They should incorporate and envisage anti-poverty measures, reduction of unemployment, community based work and job-creation schemes, government procurement, encouragement of small businesses, provision of arable land to Roma households in rural and small towns' areas, extending of micro-credits under favorable conditions, privatization of municipal publi utilities which provide employment to mostly Roma people, vocational training, support for self-help bureau and grass-root groups.