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## Quantitative growth of the NGO sector in Lithuania: when the number of organizations increases without significant effects on participation level

**Santrauka.** *Nevyriausybinų organizacijų sektoriaus analizė Lietuvoje atskleidžia dvi tendencijas. Pirma, per dvidešimt metų, prabėgusių nuo demokratijos institucionalizavimo šalyje, nevyriausybinių organizacijų skaičius šalyje reikšmingai išaugo. Antra, gyventojų, kurie dalyvauja šių organizacijų veikloje, skaičius, nepaisant organizacijų skaičiaus augimo, išlieka toks pat arba, jeigu auga, tai tik reprezentatyvių apklausų statistinės paklaidos ribose. Straipsnyje, pateikus šiuos kiekybinius, nevyriausybinių organizacijų sektoriaus raidos Lietuvoje duomenis, dėmesys sutelkiamas į veiksmus, kurie paaiškintų mažą gyventojų dalyvavimo šių organizacijų veikloje lygį. Straipsnyje teigiama, kad be individų ir visuomenės lygio veiksmų, kiekybinį nevyriausybinių organizacijų sektoriaus augimą riboja menkos nevyriausybinių organizacijų pastangos pritraukti naujus narius, jų veiklos mažas matomumas visuomenei, nepakankamas jų dėmesys savo įvaizdžiui bei menkos šių organizacijų finansinės galimybės ir žmogiškieji ištekliai.*

**Pagrindiniai žodžiai:** *nevyriausybines organizacijas, dalyvavimas nevyriausybinių organizacijų veikloje, nevyriausybinių organizacijų tvarumas*

**Key words:** *NGOs, associational involvement, sustainability of NGOs*

Non-governmental organizations form the basis of civil society in any modern democratic state. The size and vitality of the NGO sector in society attest not only to citizens' ability to engage in collective action, society's independence, its ability to influence government's decision-making process, and to keep government in check and hold it accountable, but it also attests to its capacity to tackle common problems on its own independently from government. NGOs can perform an important role in a country's economic development: researchers more and

more frequently attempt to give an accurate assessment of their contribution in economic terms, such as civil society sector workforce as a percentage of economically active population as a whole, value of volunteer work and so on (Salamon *et al.* 1999, 2003). In defining the significance of voluntary organizations for democracy, Robert Putnam (1993; 89–90) was to emphasize their “external” and “internal” functions: “internally, associations instill in their members habits of cooperation, solidarity, and public spiritedness. [...] Externally, [...]

“interest articulation” and “interest aggregation” are enhanced by a dense network of secondary associations.” In his works, this author demonstrated that high associational involvement of citizens is an important factor in determining the effectiveness of democratic institutions. By considering the networks of civic engagement to be the most important component of social capital, which in its turn is the source of reciprocal norms and social trust facilitating human cooperation and collective action, in his earlier work Putnam (1993; 177) left little hope that the amount of social capital in society can change<sup>1</sup>. In his later works, he claimed that use of appropriate policy measures, even in communities where people only reluctantly participate in civic activities, can help to uproot such attitudes in the longer run (Putnam 1995, Putnam & Goss 2002). I would like to begin this article with a provocative question: what if early Putnam was right? What if overcoming the ‘vicious circle’, when people avoid engaging into civic activities and by doing so have no possibility to acquire experience that would change their attitude towards civic engagement, is a low probability scenario in societies that do not have a tradition of associational life? Analysis of the development of the non-governmental sector in

Lithuania reveals two trends: first of all, in the 20 years that have passed since democracy was institutionalized in the country, the number of NGOs has grown significantly. Secondly, the number of citizens taking part in activities of civil society organizations remained stable or grew only within the boundaries of confidence interval of representatives surveys of population. This article is aimed at outlining features currently prominent in the NGO sector that can play an important role in facilitating a more active engagement of the society.

### **Dynamics of the number of NGOs 1994–2011**

In Lithuania non-governmental organizations are founded under three laws: the law on associations<sup>2</sup>, charity and sponsorship funds, and public establishments. According to data from the Center of Registers the number of non-governmental organizations has grown 17-fold since 1994. In the first four years of independence there were 1,302 organizations registered, while in 2011 there were 22,246 registered non-governmental organizations (Figure 1). The majority of non-governmental organizations (67%) have the legal status of associations. The biggest annual increase in the

<sup>1</sup> According to Putnam (1993; 177), “Stocks of social capital, such as trust, norms and networks, tend to be self-reinforcing and cumulative. Virtuous circles results in social equilibria with high levels of cooperation, trust, reciprocity, civic engagement, and collective well-being. [...] Defection, distrust, shirking, exploitation, isolation, disorder, and stagnation intensify one another in a suffocating miasma of vicious circles. This argument suggests that there may be at least *two* broad equilibria towards which all societies that face problems of collective action (that is, *all* societies) tend to evolve and which, once attained, tend to be self-reinforcing”.

<sup>2</sup> Prior to 2004, non-governmental organizations were still founded under the law of public organizations. Later, this legal form was abolished. Public organizations were reorganized under the new edition of the law passed in 2004, into the legal form of associations.

number of registered non-governmental organizations was recorded in 1996–1997, when new editions to the laws on public organizations, associations, charity and sponsorship funds – regulating the establishment of organizations of these legal forms and their activities – were passed. It is important to note that the number of registered non-governmental organizations does not reflect the true situation in the NGO sector for two reasons: firstly, the same legal form of public establishments is used to register not only non-governmental organizations, but also organizations whose founders are governmental institutions (hospitals, schools and other agencies providing public services); secondly, a part of registered non-governmental organizations do not carry out any real activities, yet their founders avoid liquidating the orga-

nizations due to complicated legal procedures. Taking this into account, one has to admit that the experts who prepared information about Lithuania for NGO sustainability index were right in remarking that “the number of NGOs in Lithuania has never been precisely known” (USAID 2010; 124).

Still, it is worthwhile establishing a more accurate number. Firstly, the assessment carried out earlier has demonstrated that at least a third of public establishments are non-governmental organizations (Žiliukaitė 2006; 22). Secondly, one could use the data from the Department of Statistics of Lithuania to estimate how many non-governmental organizations are actually active; according to this data, in 2011 there were 8,886 public organizations and associations countrywide<sup>3</sup>, 225 charity and sponsorship

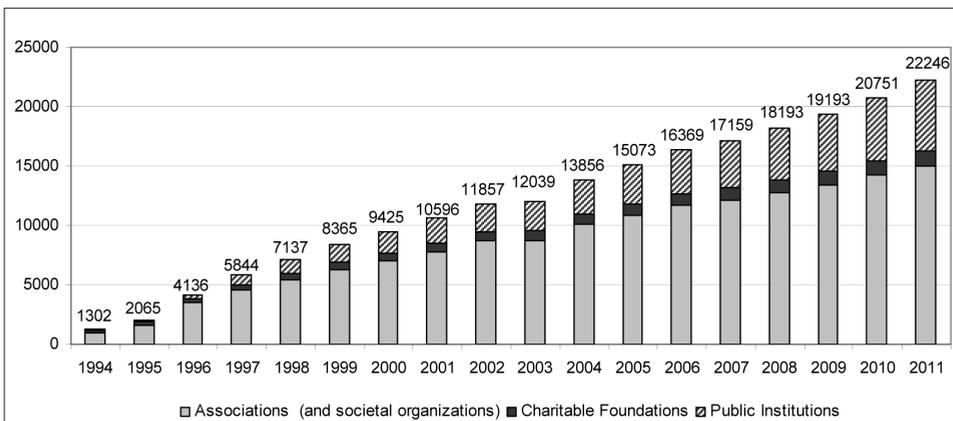


Figure 1. Dynamics of the number of registered NGOs in 1994–2011

<sup>3</sup> According to the definition used by the Department of Statistics of Lithuania, “Economic entity in operation is an economic entity registered in the Register of Legal Entities, submitting statistical reports to the respective divisions of the Department of Statistics of Lithuania, profit tax returns of individual enterprises, annual balances and VAT returns – to the State tax inspectorates, quarterly reports – to the respective divisions of the State Social Insurance Fund Board, and having employees and (or) income in the current year.” (LSM 2011; 413)

funds, and 2,567 public establishments (LS 2011). According to these numbers, active organizations amounted to 52% of registered organizations. Therefore, taking into consideration the first observation, one could claim that in 2011, slightly less than half of all registered non-governmental organizations, that is, around 10,000, were active. Yet, even this estimate comes with strings attached: a certain number of non-governmental organizations can be active even though they do not satisfy the definition of active legal person applied by the Department of Statistics, or, conversely, they can be active as far as paperwork is concerned but fail to engage in any activities in real life. Thus, the real number of active NGOs could be slightly bigger or smaller than indicated.

Estimates of numbers of active non-governmental organizations provided by other sources in different years were either more optimistic or pessimistic. According to the data from the survey of NGOs carried out in 2000 by the Non-Governmental Organizations Information and Support Center, inactive organizations comprised around one-fifth of registered NGOs (NIPC 2000). According to the data of the 2002 NGO Sustainability Index, such organizations amounted to one-third of registered NGOs (USAID 2002; 107), while in 2007, according to the estimate provided by the same source, inactive organizations amounted to two-thirds of all registered organizations (USAID 2007; 148). On one hand, this data points out that from 2000 to 2007 not only an increase in the number of registered organi-

zations was observed, but also a growing share of earlier registered organizations ceasing their activities could be witnessed. However, there are no ways to verify these estimates, since neither study provides sufficient references on which these estimates were based. Especially questionable is the estimate provided by the NGO Sustainability Index 2007, because according to the Department of Statistics of Lithuania that year fully 48% of registered non-governmental organizations were active (LS 2011). In conclusion, it could be assumed that around half of registered non-governmental organizations are currently active in Lithuania.

### **Associational involvement of the population**

Data from national and international research indicates that the number of citizens who participate in activities of non-governmental organizations in Lithuania is small. Besides, as the number of non-governmental organizations in the country increases, the fraction of people who participate in activities of these organizations does not change significantly. According to European Value Study (EVS) data<sup>4</sup>, in 1990, 22% of the population were actively involved in activities of public organizations in Lithuania. This number reflects the population's activity before the beginning of radical social, political and economic transformations of the society; it was bound to undergo significant changes as the old social structure of the society continued to implode. Data collected in later research could serve as a more meaningful benchmark

<sup>4</sup> Data of European Values Study (1999 and 2008) were obtained at the GESIS Data Archive for the Social Sciences in Cologne through their online download and analysis facility ZACAT.

for the initial dynamic of the population's participation. According to the same source (EVS), in 1999, the share of population engaged in activities of public organizations amounted to 14%, while a decade later, in 2008, the share of participants of NGOs in society remained unchanged and comprised the same 14%<sup>5</sup>.

It is important to point out that in 1999 and in 2008, when a European Value Study was carried out in Lithuania, different wording was used in the questionnaire.<sup>6</sup> Since this is important for comparing data, one can point out that according to the data from the Value Study of Lithuanian population carried out in 2005 (VT)<sup>7</sup>, which used the EVS questionnaire, and which contained wording identical to the 1999 questionnaire, the share of population

engaged in activities of public organizations and movements in 2005 comprised 14%. Thus, at least when discussing the period 1999 – 2005, one can draw the conclusion that the data from value studies fails to register statistically significant changes in the population's participation in non-governmental organizations.

To describe the population's participation in activities of non-governmental organizations one can also use data from national surveys, which reveal, basically, the same trend as the study discussed above. Since 2007, an annual Civic Empowerment Index (CEI) survey has been carried out in Lithuania; this index provides data about citizens' participation in civic and political activities over the last year (12 month period). According to the data

<sup>5</sup> European Value Study asks respondents about membership and volunteer work in 15 organizations. By counting which percentage of the population participates in at least one public organization two groups were omitted: political parties and trade unions.

<sup>6</sup> Although the main questionnaire in English contained identical wording in all three waves of EVS "Please look carefully at the following list of voluntary organizations and activities and say which, if any, are you currently doing unpaid voluntary work for?", respondents in Lithuania in 1990 were asked: "Please read carefully the list of various public organizations and movements and say which activities of which public organizations and movements you take an active part?", in the 1999 survey respondents were asked: "Please read carefully the list of various public organizations and movements and say whether you take part in activities of any of the public organizations and movements without remuneration?", while the 2008 wording of the question in Lithuanian completely corresponded to the English wording. Such detailed information about differences in translations of EVS questions across the three waves conducted in Lithuania is important. It draws attention to the problem of measuring participation of population in NGO activities; one must be aware of it when analyzing the development of the NGO sector in Lithuania. It is well known that the wording of questions has an effect on the validity and reliability of associational membership measurements and this problem was discussed by researchers on numerous occasions (e.g. Morales Diez de Ulzurrun 2002). In societies that lack the tradition of participation in activities of civil society organizations, the wording of the question about associational involvement has one distinct problematic dimension: in the everyday language of people voluntary work, voluntary organization, or non-governmental organization do not have common meaning, which makes it difficult for researchers to find the wording for a question which would be appropriate for a Lithuanian context and would ensure validity of measurement.

<sup>7</sup> The right to use the data of Value Study 2005 (VT 2005) was granted by the Civil Society Institute, Lithuania.

from this research, in 2007, the share of population involved in a public organization or movement consisted of 9%, in 2008 – 8%, in 2009 – 10%, and in 2010 – 11%.<sup>8</sup> The data of CEI demonstrates an even lower level of activity among the population than data collected using the EVS questionnaire. This difference could be explained, first of all, to the fact that the CEI study does not use group listing as EVS and asks about participation in activities of public organizations or movements in general. However, regardless of interpretation and source one chooses, they all lead to the same conclusions: the level of citizens' participation in activities of non-governmental organizations is very low, secondly – even if the increase in the number of citizens participating in activities of non-governmental organizations takes place (something that one would expect to be the case by looking at the number of registered NGOs) this growth does not exceed the boundaries of confidence intervals of representative surveys of population.

### ***Underlying factors of non-participation***

As it was noted somewhere else, the institutionalization of democracy gave Lithuanian citizens not only freedom to assembly and to participate in activities of civic organizations, but also freedom *from* participating in such activities, and the data on citizens' associational involvement indicates that Lithuania's population opt for the "freedom *from* participation" (Žiliukaitė 2006; 28). To use Tocqueville's

words, Lithuanians are not a "nation of joiners", and this statement hardly calls for any further substantiation.

Apart from people's involvement and participation in activities of non-governmental organizations it is difficult to imagine an expansion of the NGO sector, which makes it important briefly overview the causes underlying society's passivity.

Although political (non)involvement and (non)involvement in associations are not identical, to start the overview an insight by Brady *et al.* (1995; 271) is worth using: "[...] why people don't take part in politics. Three answers immediately suggest themselves: because they can't, because they don't want to, or because nobody asked". People do not participate, because they are short of time, money, or civic skills; people do not participate, because they are not interested in these activities, it does not seem meaningful to them; people do not participate, because they do not belong to social networks that could involve them into such activities. These three categories are consistently echoed in the works of authors focusing on volunteering and participation in associations (Wilson & Musick 1997; Wilson 2000; Dekker & Halman 2003). All three groups of factors are significant explaining the low level of Lithuanian society's involvement in NGO activities (Žiliukaitė 2006; 35–49).

The prevailing cause of non-participation is psychological disengagement of the population (*Ibid.*). Lack of interest in activities of voluntary

<sup>8</sup> The author of this article is the head of the Civic Empowerment Index project. The right to use the data from this research was granted by the Civil Society Institute, Lithuania.

organizations can be partially attributed to the heritage of the communist regime: negative attitudes of the population formed in that period towards pseudo-voluntary activities and civic organizations (Howard 2003; Voicu & Voicu 2009). However, one could reach for an even deeper explanation. Prior to the Soviet occupation, Lithuania was a traditional agrarian society where volunteering and volunteer associations were not a widely observed phenomenon (Juknevičius & Savicka 2003), in other words this society never had the tradition of associational involvement. The Soviet period did not transform this practice, but to a large extent created a new one – aimed at forcing the society to participate, encouraging it to participate, yet such activity did not take root in the society. Citizens' unwillingness to participate in activities of non-governmental organizations is also influenced by the culture of mistrust prevalent in the society<sup>9</sup>: the low level of generalized trust in the society in general (Ramonaitė 2002; 79, Žiliukaitė 2005; 94), as well as low confidence in non-governmental organizations in particular (Aleksnevičienė 2008; 16). To summarize, the norm within the current Lithuanian society is non-participation, not the other way around.

People's engagement in activities of non-governmental organizations is also constrained by their limited access to recruitment networks which is determined to a large extent by sparse non-governmental organizations' networks in the country and the small number of people taking part in the activities of these organi-

zations. (Žiliukaitė 2006; 37). Some weight could be also placed on lack of resources (time and money) when explaining the passivity of the Lithuanian population (*Ibid.*) Indeed, in Lithuania people have less disposable income than in economically advanced Western Europe societies which are also distinguished by a higher level of associational involvement. Also, in Lithuania people spend more time working and have less time off than inhabitants in more economically developed countries. However, can one expect that as a country's economics develops and standards of living increase these people shall enter the ranks of 'joiners'? Analysis of the influence the level of a population's income exerts on participation in voluntary activities in various countries worldwide did not reveal significant differences between more or less economically advanced groups of countries (Hodgkinson 2003; 44). On one hand, Halman (2003; 180) claims that in societies where inhabitants earn enough income working one job, one can expect a higher level of participation in activities of voluntary organizations, because people have more free time. Yet, it is questionable whether economic advancement indeed provides people with more free time to be used *specifically* for volunteer activities. It is more likely that newly available time will be colonized by leisurely activities widespread in the society, for example, an increasingly larger share of time devoted to TV-watching, singled out by Putnam (2000; 283) for its negative impact on civic engagement. When society does not have

<sup>9</sup> We shall not dwell on why trust is an important factor for civic engagement. This has been done in the works of authors like Coleman (1990), Putnam (1993), Sztompka (1999), Uslaner (1999).

the social norm of participation, it is difficult to imagine how people having more free time will become participants in NGO sector without huge, well-targeted efforts from NGOs.

*Factors underlying slow quantitative expansion of NGO sector*

Although in explaining the causes for the passivity of the Lithuanian population largely individual or societal level factors are emphasized, it is obvious that such an explanation would be incomplete without discussing in more detail some characteristics of Lithuania's NGO sector that are important for the broader involvement of the population into NGO activities.

In the words of the authors of the NGO Sustainability Index reports, in Lithuania the NGO sector has achieved 'the consolidation stage': in the first decade since independence "the basic legal and capacity building framework for the development of a healthy and sustainable NGO sector has been established" (USAID 2001), the sector has stabilized and is currently undergoing qualitative rather than

quantitative transformations (USAID 2005). It would be difficult to argue with these statements. The NGO sector hardly faces the danger of decline, if only because there will always be individuals who are inclined to lead an active social life, possess seemingly boundless reserves of energy, and are keen to take on new voluntary commitments at NGOs as well as becoming more closely involved with an NGO. This is so, because even if we admit that Lithuanian society is distinguished by weak social norms of participation<sup>10</sup>, it is and will remain for the foreseeable future home to people who are motivated to act upon the norm of "everyday Kantianism", defined by Elster (1992; 195) and expressed in two questions: "If not me – who?" and "But what if everyone did that?". Finally, there will always be people who engage in activities in the NGO sector primarily due to rational, selfish, goal-oriented motives, seeking to benefit from financial and political mechanisms available in the NGO sector.<sup>11</sup> In other words, it is difficult to imagine society without enthusiasts of these activities, without people who are not afraid to be "different" in order

<sup>10</sup> In the analysis of the state of Lithuanian civil society, presented several years ago, together with co-authors we have noted that "one of the biggest obstacles [...] to the development of civil society at large is the weakness of norms of participation in civic activities that one observes in Lithuanian society. [...] Those who do not participate in civic activities are not "punished" with social sanctions. Even to the contrary, non-participation is considered to be a "norm", while participation is more readily viewed as unusual, eccentric behavior. [...] Collective, communal activities are constrained by the fact that Lithuania lacks the usual patterns for engaging in such activities, inherited from the past models of certain collective actions that could serve as normative signposts facilitating current activities" (Žiliukaitė *et al.* 2006; 264).

<sup>11</sup> These remarks are not meant as a description of motivation of Lithuanian activists in the NGO sector. Much like in other countries, the few research projects on the motivation of NGO participants and volunteers carried out in Lithuania, (Žiliukaitė 2006) demonstrate that it is difficult to distinguish certain types of motivation because people can be motivated to act simultaneously by both selfish and altruistic motives as well as by the motives related to certain social norms (Dekker&Halman 2003).

“to make a difference” in society or at least to achieve a certain personal benefit.

It is also true that in the 20 years since Lithuania's independence the NGO sector has undergone remarkable qualitative transformations. Professional skills of NGOs became stronger, a network of NGO umbrella organizations and coalitions was developed, providing help and enhancing the capacities of its members. By the efforts of these umbrella organizations and other influential NGOs numerous laws improving the environment for NGO activities were passed or amended. The voice of NGOs in the decision making process on both local and national level became much clearer, the role of an NGO in representing the interests of different societal groups, mediating between government and society became more articulated, more and more NGOs become involved in advocacy campaigns. One sees more readily partnerships among NGOs and local and national government in implementing a variety of programs in the areas of social services, poverty reduction, public order, anti-corruption, environmental protection and other areas. More and more NGOs have become involved in the provision of services, thus, on one hand, discovering in this activity an additional source for financing the organization's activities, while, on the other hand, improving citizens' access to different types of services.

Without seeking to disparage the contribution of NGOs to Lithuania's social, economic, and political advancement, the author shall focus further discussion in this article on factors

that are important for quantitative growth of the NGO sector. Such factors constraining the growth of the sector are the NGO's poor efforts in attracting new members, their low visibility in society, inadequate attention to enhancing the public image of the NGOs, and low financial capacities and human capital of NGOs.

Beresnevičiūtė (2006) draws attention to the fact that higher mobilization of inhabitants in voluntary activities is constrained by the fact that non-governmental organizations active in Lithuania are fairly closed, uniting a small number of members with similar interests and devoting too little efforts to attracting new members, involving people through more varied forms of activities and echoing more diverse interests of the population. In this perspective the NGO market still remains under-developed in the country. Despite the stable increase in the number of NGOs, the network of NGO organizations in Lithuania is sparse: the average number of NGOs is 2.7 per 1,000 people. For comparison, one could indicate that in Denmark, which belongs to one of the countries which see the highest level of citizen participation in NGO activities in Europe, NGO density is 7 times bigger (here one finds an average number of 14.4 organizations per 1,000 people); in the context of Central and Eastern Europe, the Czech Republic and Slovenia, two countries that are distinguished by higher citizen associational involvement in the region, correspondingly have an average density of 9.9 and 10.9 organizations per 1,000 people.<sup>12</sup> The increase in the number of NGOs,

<sup>12</sup> The average number of NGOs per 1,000 people in Denmark was calculated using data taken from GHK (2010, p. 8), in Czech Republic and Slovenia – using data of NGO Sustainability Index for Central and Eastern Europe and Eurasia (USAID, 2008, p. 92, 217)

in both smaller and bigger towns, can be seen as one of the pre-conditions for the increasing participation of inhabitants in activities of these organizations.

Data of representative surveys of population also reveal low visibility of NGOs that testifies to the inadequate and ineffective efforts of the NGOs to present their activities to society as well as develop their public image: 34% of the population cannot name a single NGO, and the majority of those who provide a name are able to name only one organization (SEPC/RAIT 2011).<sup>13</sup> In essence, NGOs active in the country remain invisible and unknown to society at large; the same thing can be said of society's awareness about NGOs' achievements and success stories. Due to this lack of information, Lithuanians understand the role of NGOs in society in a very narrow and fragmented way. Data from surveys indicate that 58% of Lithuanians associate NGOs primarily with charitable activities, a little bit more than a third of the population think that NGOs are engaged in providing services (37%) and mutual assistance or self-help (36%); a quarter (25%) equate NGOs with representation of interests, active participation in civic matters (NIPC/RAIT 2009). It is not difficult to find an explanation as to why the population associates the activities of non-governmental organizations

with charitable activities; before big religious festivals, organizations, such as, Caritas and Maisto bankas (Food bank) devote a lot of attention to advertising their activities, encouraging people to chip in to support disadvantaged people. The level of knowledge in regard to NGOs, measured as a citizens' ability to name any NGOs they know, with an exception of these several organizations, is very low.

In order to improve the NGO image in society, these organizations should put bigger effort into ensuring transparency of their activities. However, in the opinion of NGO leaders in Lithuania only a limited transparency of NGO activities and finances is possible, they perceive publicity as difficult to implement or insignificant for the activities of these organizations (Aleknėvičienė 2008). Yet, half of the country's population thinks that NGOs in Lithuania are corrupt (*Ibid*; 16). Such organizational image could be overcome by adhering to strict ethical standards in NGO activities and paying appropriate attention to public accountability of these organizations. (Muravjovas 2008)

The impact of various measures for financing NGO activities is diverse and has the potential to encourage stronger ties between an NGO and constituencies, provide organizations with more opportunities to conduct activities that involve inhabitants, but can also

<sup>13</sup> At least from the perspective of NGO recognition, some positive changes have taken place in the last ten years. According to the data of the survey carried out in 2002, 46% of the country's population could not name a single NGO (NIPC/SIC 2002), in 2009 this number was 41% (NIPC/RAIT, 2009), and in 2011 – 34% (SEPC/RAIT, 2011). In the previous several years, there has been an increase in advertising from a couple of organizations focused on charitable activities (Maisto bankas and Caritas); it is namely the higher visibility of these organizations that brought about an increase in NGO recognition. Since many people indicate only these two organizations, the increase in NGO recognition remains relative.

contribute to the negative image of NGOs in society. Besides, financing mechanisms that are implemented can have unforeseen consequences for the structure of the NGO sector, connected to the uneven capacity of various organizations to benefit from them.

In general, lack of financing and funds for conducting activities are singled out by respondents in NGO surveys as the biggest challenge facing the organization. This is the case for 61% of NGOs (TI 2007). According to the research data, more than half of NGOs (66%) have an annual budget of less than 30,000 Lt (~8,600 EUR) (SADM/FD 2011). There are no accurate data about the structure of funding.

Financial measures that contribute to NGO efforts to inform society more actively about its activities and be more accountable to their constituencies is the opportunity given to residents to allocate 2% of their income tax to an NGO or a public establishment providing services to society, which was foreseen under the law on the income tax of individuals passed in 2002. Surveys show that for citizens' the chance to allocate 2% of their income tax to an NGO is the most welcome form of participating in the activities of these organizations. In a representative population survey, 38% of respondents chose this passive form of supporting NGOs when asked what form of participation in an NGO was most acceptable to them (NIPC/RAIT 2009). According to the data of the 2006 population survey, 8% of the population supported NGOs by taking on this opportunity (USAID 2006). These funds became an especially important source of financing for smaller, local, and regional organizations. It is important to point out that NGO organizations

compete for funds from the 2% income tax with public establishments, such as general education schools, kindergartens, and other public establishments founded by municipalities. By devoting 2% of their funds people most often support organizations that they have personally come across (36%), where their friends, acquaintances, and relatives work (20%), or devote these funds to their own employer (SEPC 2010); due to the sparse NGO network and the low number of people participating in these organizations, NGOs often do not make it into this organizational category. Currently, in the area of advocacy, NGOs are putting a lot of effort into legally separating true NGOs and public establishments founded by government institutions, the majority of which benefit from public financing. It is hoped that this move improves the standing of NGOs when it comes to attracting funds from society.

Following Lithuania's accession to the European Union in 2004, many of the active foreign funds, who supported NGO organizations and made available relatively "easy" access to money consisting of relatively low project and financial reporting requirements (Muravjovas 2008) left Lithuania, which led many people in the sector to link their hopes to the forthcoming EU structural funds. For example, in the survey of rural communities organizations carried out in 2004, 54% of respondents indicated that, in their opinion, the main source of financing for activities of these organizations in the future will be funds from EU structural funds (Juska *et al.* 2008). Anticipation of substantial incoming EU funding unleashed a new wave of NGO founding and growth. A significant part of organizations were established not as bottom-up

initiatives, but on a top-down principle. In the case of rural communities, around one-third of such registered organizations in 2003-2004 were influenced by encouragements of heads of municipalities and its employees to establish them (Žiliukaitė 2007; 21). Reflecting on certain features of founding organizations that became pronounced at the time, Juska, *et al.* (2005; 13) noticed that “top-down approaches [manifest in EU rural policies] tend to strengthen the role of the local state officials who are in the best position to get access to EU resources, thus bypassing and potentially subordinating rural organizations”. On the other hand, although people in the NGO sector had high hopes for EU structural funds, experts had already foreseen back then that a part of non-governmental organizations would not be able to access these funds due to under-developed organizational capacities and the lack of financial stability. These intuitions were fully confirmed. Only a very small part of NGOs are currently capable of benefiting from EU funds. It is also noted that there is an ever growing gap between NGOs that are capable of benefiting from opportunities provided by EU structural funds, and those that are not. Increasingly, small, grassroots, local community organizations are sidelined (USAID 2010; SEPC 2010).

The emergence of the aforementioned financing mechanisms also has a dark side. The opportunity to benefit from 2% of income tax funds soon brought forward stories of business organizations and private individuals who

founded NGOs with the sole purpose of taking advantage of this opportunity. Notorious single instances of abuse, publicized by the media, hardly improved the image of NGOs. The opportunities provided by EU structural and other foreign funds for NGO-related activities encouraged business and governmental organizations seeking to access EU funds not only to look for partnerships with NGOs, but also led them to found organizations of this type, once again contributing to additional tensions within the NGO sector. Finally, the impact of the administrative system related to access to EU funds on NGO activities, similarly, attracts controversial assessments. On one hand, it encourages the growth of professional capacities of organizations. On the other hand, the organizations often face creeping bureaucratization and increasingly time-consuming paperwork instead of focusing on achieving organizational goals which should serve as a basis for involving citizens in NGO activities (SEPC 2010; 51).

The low level of financial viability in the NGO sector not only prevents many of the active NGOs from planning their activities for longer than half a year, but also leads to shortages of human resources working in these organizations: 9 out of 10 NGOs are micro-enterprises that employ up to 4 people (LSM, 2010), for one-third of NGOs, one of the biggest problems constraining the development of their activities is lack of qualified employees (TS 2007). In turn, an acute staffing problem constrains the capacity of NGOs to involve more volunteers in their activities.<sup>14</sup>

<sup>14</sup> This conclusion is supported by insights coming from cross-national comparative research. As Salamon *et al.* (2003, p. 19) indicate, the higher level of the paid civil society workforce in a country, other things being equal, the higher level of the volunteer workforce.

## Concluding remarks

In analyzing society's civic engagement, one could shift attention from non-governmental organizations to informal networks, which can also serve to mobilize people for collective efforts. In the widest sense, civil society consists of formal and informal groups and organizations that represent various societal interests and act independently of the state and the market (Chambers 2002). If society – due to the negative experience of 'compulsory volunteering' and membership in a variety of organizations during the years of the Communist regime – views the establishment of non-governmental organizations and attempts to involve population in their activities with suspicion (Juska *et al.* 2005; 12), then perhaps informal networks would serve as a much more effective way of recruiting people to take part in collective action? It is argued that post-Communist countries are characterized by broad and strong informal networks. Gibson (2001) says that in post-Communist countries informal networks could become a sort of substitute for formal organizations of civic engagement, they could become the foundation for development of civil society. However, analysis conducted by Ramonaite (2006) shows that while informal social networks are quite dense, they are ineffective in a public sphere. Though, one could mention that the vitality of informal networks varies from location to location. Residential areas in larger Lithuanian towns can

hardly boast relations based on neighborhood and solidarity traditions. Increasing mobility of the urban population hinders the formation of such community-based relations, leading to the prevalence of social alienation and free-riding practices. In small, traditional-type communities communal relations are much stronger, although they are rather narrow in their scope and fairly closed: socializing is mostly focused on relatives and closest neighbors, an insufficient basis for mobilization on a somewhat broader scale.

Still, why is it important to seek a larger participation of the population in activities of non-governmental organizations? Most probably, even undersized NGO ranks can make a significant contribution to the creation of common good, improvement of social, economic, and political living conditions in society. As the capacities of these organizations are enhanced, their professional skills and infrastructure, long-term financing viability and image in society improve, even if the number of citizens who take part in these activities remains unchanged, the NGO sector would move forward; that is, one could speak about qualitative progress in its development. However, to perform the NGO functions that were described at the beginning of the article, quantitative growth in this sector is just as important as a qualitative one. Taking this into consideration, one needs to believe that Putnam was right about possibilities to overcome the 'vicious circle'.

## NOTES

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## ABSTRACT

An analysis of the development of the non-governmental sector in Lithuania reveals two trends: first of all, in the 20 years that have passed since democracy was institutionalized in the country the number of NGOs has grown significantly. Secondly, the number of citizens taking part in their activities remained stable or grew only within the boundaries of confidence interval of representatives surveys of population. After a brief review of these quantitative indicators of the development of the NGO sector in Lithuania, the article focuses on factors explaining the low level of citizens' involvement in NGO activities. It is argued that besides individual and societal level factors, poor NGO efforts to attract new members, their low visibility in the society, inadequate attention to enhancing their public image and low financial capacities and human resources of NGOs constrain the quantitative growth of the NGO sector in the country.

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