

## **CHANGES AND TRENDS IN THE NONPROFIT SECTOR -1998**

### **Introduction**

The emergence of a nonprofit sector in Romania, like in other post-socialist countries in the region, is the result of relatively recent social processes taking place in the complex environment of an emerging civil society, which is filling the space between the market and the state created by the institutional upheaval after 1989.

In the context of the dramatic changes that Romanian society is undergoing to cope with the dynamics of the complex transition process, it has become increasingly clear that the expansion of social and civic movements in general, and the development of nongovernmental organizations specifically, have become important factors in the post communist evolution of society (Saulean, Daniel and Carmen Epure. "Defining the Nonprofit Sector: Romania". *Working Papers of the Johns Hopkins Comparative Nonprofit Sector Project*, no. 32 edited by Lester M. Salamon and Helmut K. Anheiner. Baltimore: The Johns Hopkins Institute for Policy Studies, 1998).

In the "associative explosion" after 1989, a large number of nonprofit organizations were settled in people's will to participate in social life and to influence social policies. They were addressed to different categories of beneficiaries, from those who couldn't satisfy their basic needs like food, clothes and shelter to those looking for professional fulfilment and self-actualization. In time, factors like foreign financial support, politics, economy, cultural and geographical particularities shaped the dimensions of the nonprofit sector.

The objective of this study is to identify the structure of the Romanian nonprofit sector in 1998, and to describe the dynamic in time of the sector, in terms of changes and trends.

### **Methodology**

Two surveys were developed by ACCES, the Center for NGO Development, on the nonprofit organizations over the country, in 1996 and 1998. A complex questionnaire was designed for each of the two surveys, in an attempt to gather detailed information. The questionnaires were administrated both by mail and face-to-face interviews. In the two editions of the survey the approximate number of nonprofit organizations that filled the questionnaire was 3200, respectively 4000.

	<b>1996</b>	<b>1998</b>
mailing	12,000	19,000
face to face interviews		1,300
filled questionnaires returned by mail	3,000	4,000

In addition to the quantitative information from these two surveys, we used information from a series of focus groups with NGO leaders, a previous study on corporate giving, and an evaluation of a training session for public administration representatives, and media monitoring. These materials were provided by the Research Programme of CSDF, the Training Programme of CSDF and the Center for NGO Development ACCES.

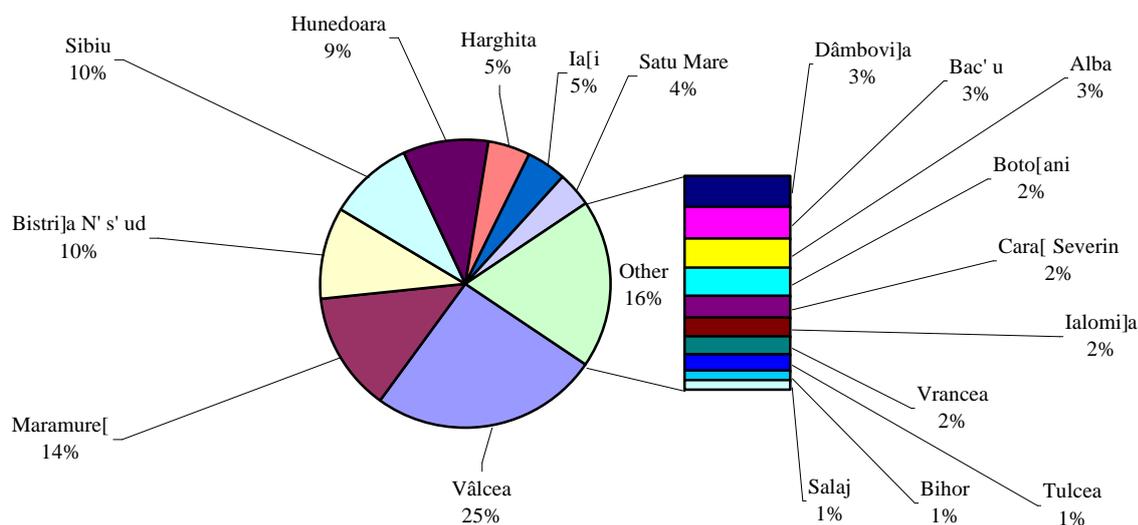
## 1. Active NGOs

According to the terms of reference, we called “active/real NGOs” the organizations that register the balance sheet with the tax authorities or provide financial reports to the donors.

At the moment we have information about the following counties: Harghita (1147 NGOs), Bihor (51 NGOs), Maramures (852 NGOs) and Bistrita Nasaud (636 NGOs).

According to the evaluation of the Grants Programme of CSDF, a number of 399 organizations were granted for a number of 548 contracted projects. These organizations had to provide financial reports to the Grants Programme of CSDF.

### Distribution of active NGOs by counties



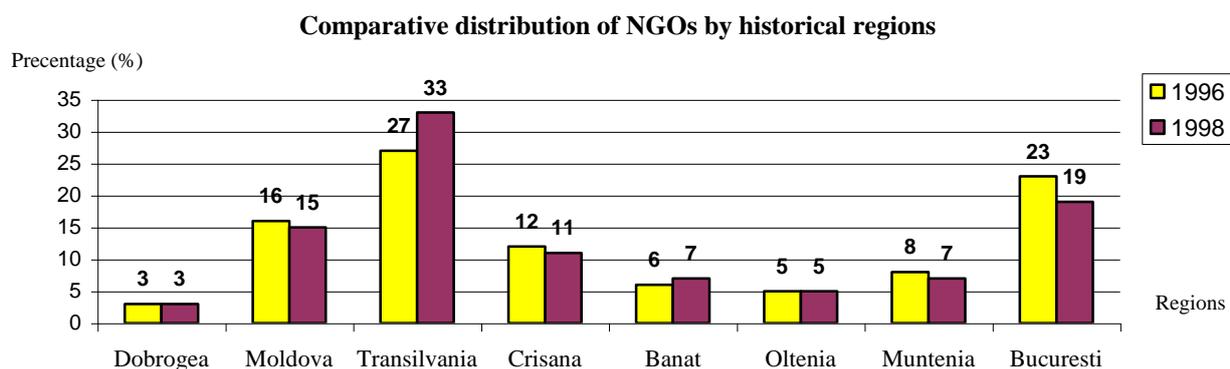
County	No. of active NGOs
1. Sibiu	601
2. Alba	162
3. Hunedoara	593
4. Salaj	46
5. Harghita	298
6. Vrancea	98
7. Vâlcea	1,600
8. Botoșani	153
9. Ialomița	103
10. Bacău	174
11. Caraș Severin	119
12. Dâmbovița	183
13. Maramureș	852
14. Bihor	51
15. Bistrița Năsăud	636
16. Iași	285
17. Satu Mare	248
18. Tulcea	91
<b>Total</b>	<b>6 293</b>

The investigation comprised 42 counties (the total number of counties in the country), including Bucharest, of which only 18 responded (see the table). According to the data obtained for these counties, a number of 6293 nongovernmental organizations submitted the annual balance sheet at the local financial authorities.

Though, the data gathered proved to be insufficient for generalization. In addition, the attempt to complete the data by examining the donors reports, was ineffective due to the fact that those reports do not contain a distinct evidence of the awarded grants by number of organizations.

The leading county in terms of number of organization is Vâlcea, with a number of 1,600 organizations, that is 2.5 times larger than the second placed county, Bistrița Năsăud, counting 636 organizations. We have to mention that Bucharest, which concentrates the most part of NGOs, is not included amongst the 18 respondent counties. Sibiu, Hunedoara, Vâlcea, Maramureș and Bistrița Năsăud gather 4282 NGOs, which represents 68% of the total number of 6 293 NGOs.

## 2. Distribution of NGOs by county and by region. The growth dynamic in time



County	1996	1998
Municipiul București	751	1502
Alba	61	122
Arad	111	222
Argeș	39	78
Bacău	71	142
<b>County</b>	<b>1996</b>	<b>1998</b>
Bihor	164	328
Bistrița-Năsăud	58	116
Botoșani	32	64
Brașov	161	322
Brăila	15	30
<b>County</b>	<b>1996</b>	<b>1998</b>
Buzău	23	46
Caraș-Severin	53	106
Călărași	7	14
Cluj	350	700
Constanța	93	186
Covasna	82	164
Dâmbovița	12	24
Dolj	80	160
Galați	42	84
Giurgiu	9	18

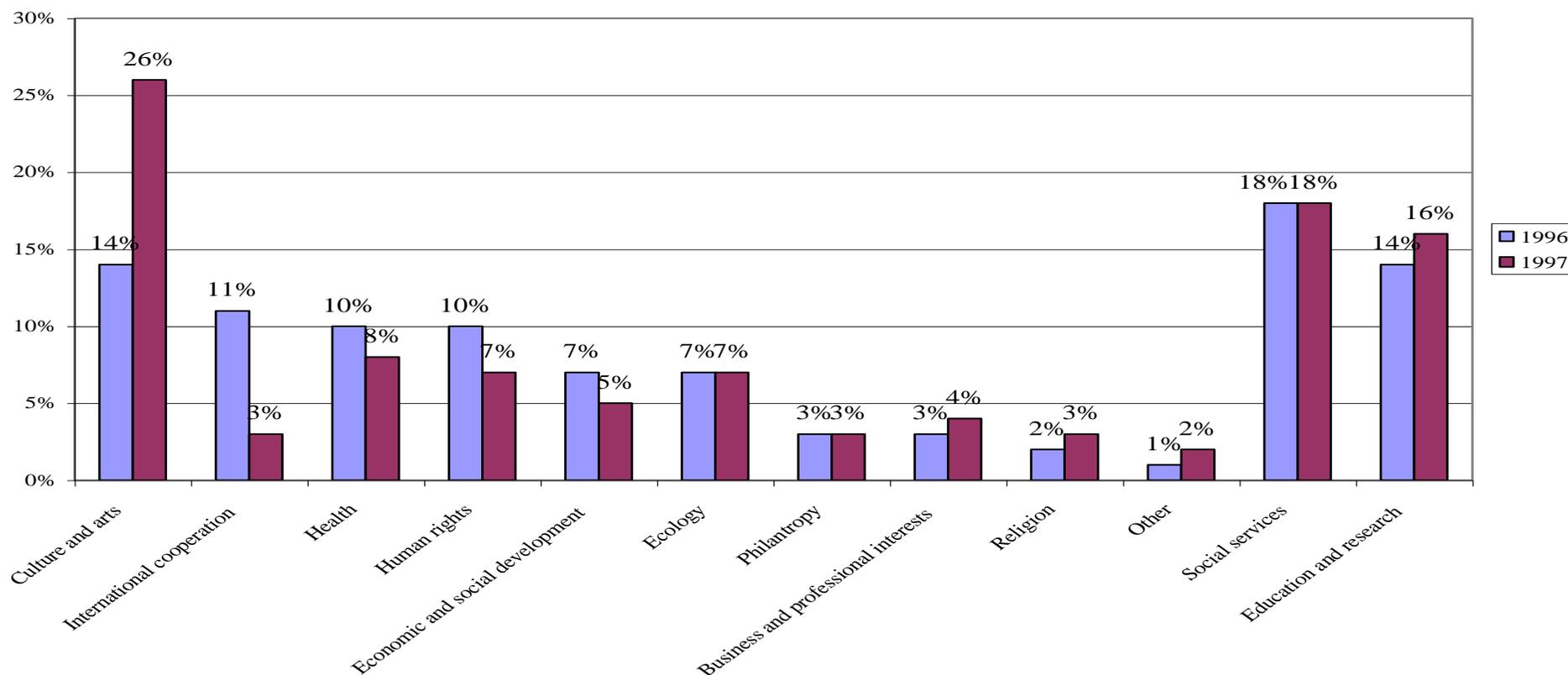
Gorj	25	50
Harghita	18	36
Hunedoara	70	140
Iai	124	248
Ialomița	19	38
Ilfov	6	12
Maramureș	222	444
<b>County</b>	<b>1996</b>	<b>1998</b>
Mehedinți	19	38
Mureș	110	220
Neamț	78	156
Olt	16	32
Prahova	127	254
Satu Mare	77	154
Sibiu	127	254
Sălaj	22	44
Suceava	206	412
Teleorman	17	34
Timiș	162	324
Tulcea	16	32
Vâlcea	53	106
Vaslui	16	32
Vrancea	47	94

### 3. Distribution of NGOs by type of activity. The dynamic in time

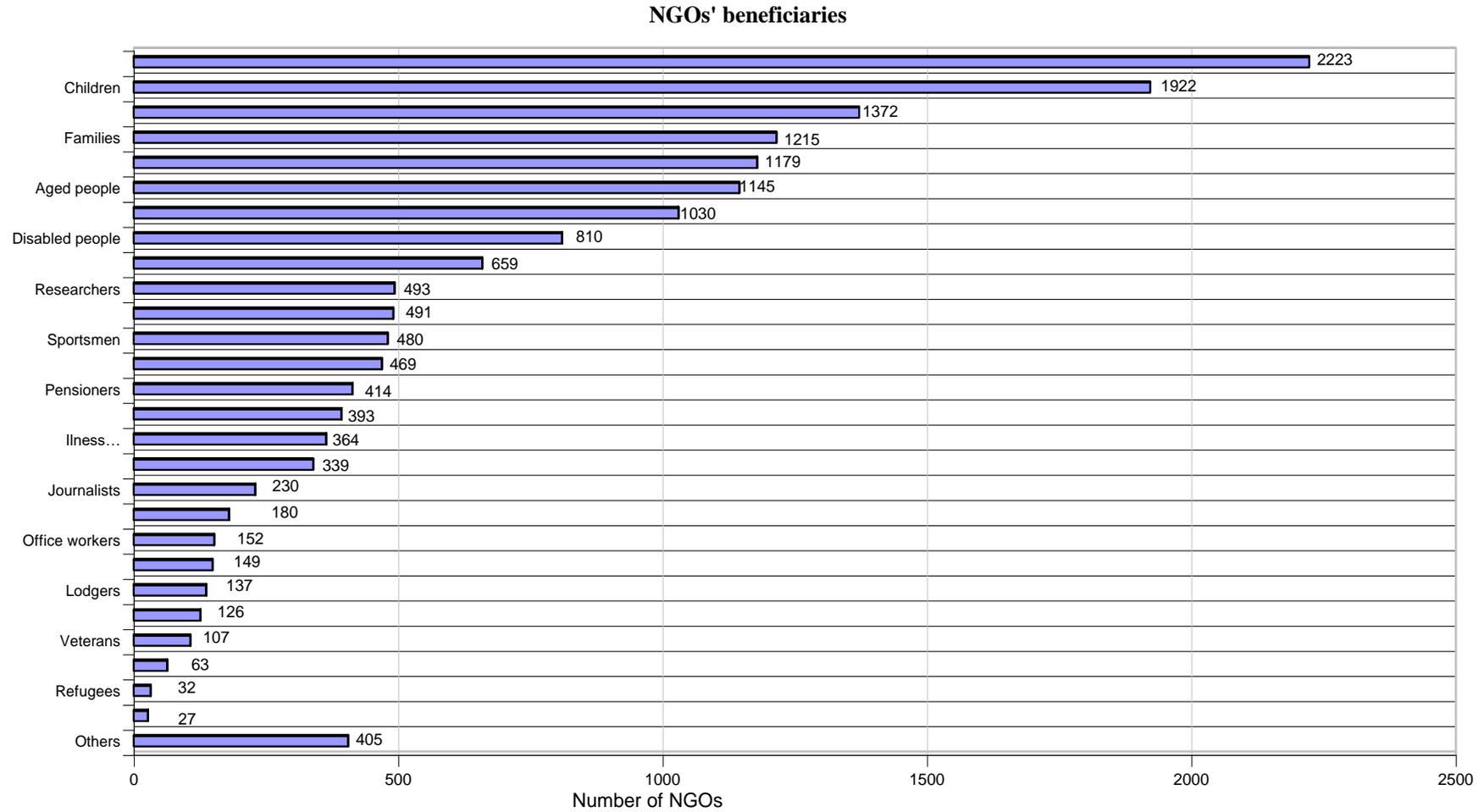
Activities in the field of Culture and Arts increased from 14% to 26%.

The distribution of NGOs on fields of activity differs on the territory. The activities related to culture and art keep a high rate. Differences appear in the fields of Social services, Education, Human rights, Social and economic development. Social and economic development activities keep a low rate, even in the regions considered as poor regions.

#### NONPROFIT SECTOR STRUCTURE ON FIELDS OF ACTIVITY



#### 4. The target groups and types of beneficiaries of NGOs



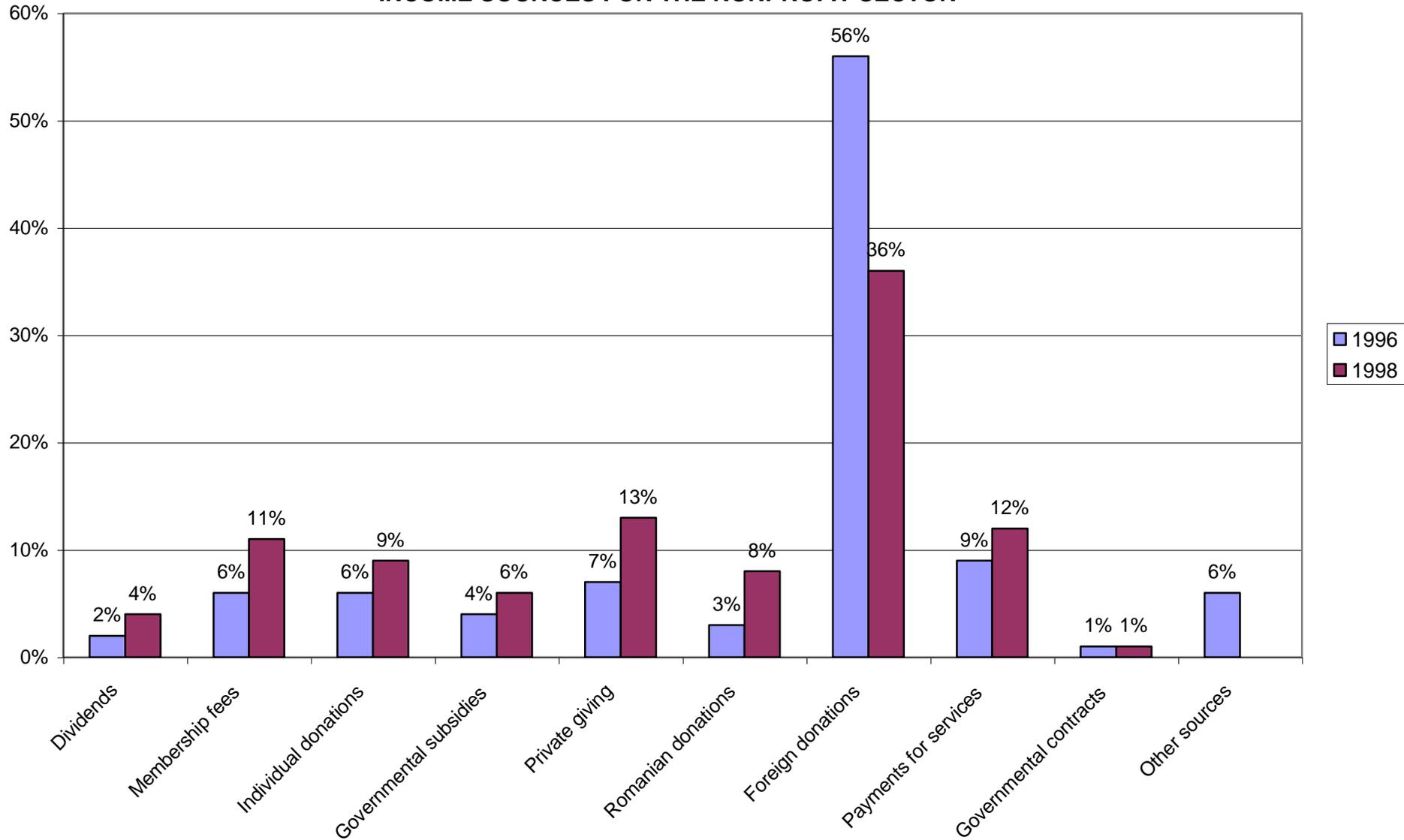
The number of organizations having as beneficiaries the poor people, unemployed persons and private enterprises is lower than the number of organizations having as beneficiaries children and young people. Even poverty alleviation is not declared as mission for many NGOs, the nonprofit organizations remain involved against poverty and for the observance of human rights. There are active NGOs in promoting the right to work, the environment protection, the right to education and the right of an equal justice. In the context of poverty alleviation, worth to be discussed about the nonprofit organizations involved in rural development. These are concerned especially in developing rural tourism, but also to stimulate the production and trade with traditional specific products. The distribution of NGOs on residence environment shows a higher rate of the organizations in rural environment in 1998 (10% of the NGOs, compared to 8% of the NGOs in 1996).

The distribution of NGOs on the poverty degree of the counties offers an interesting perspective:

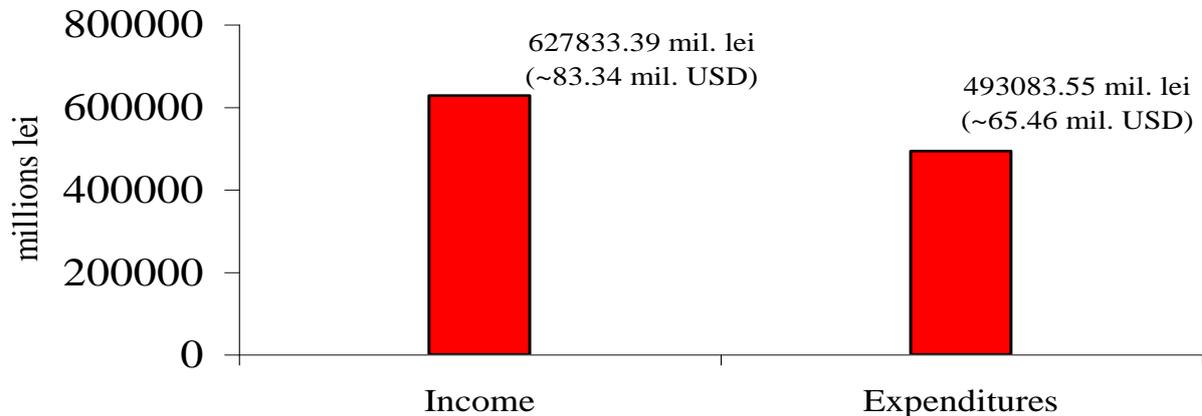
- 41% of the NGOs are located in the rich counties;
- 20% of the NGOs are located in the counties developed over the average;
- 18% of the NGOs are located in the counties with average development;
- 11% of the NGOs are located in the counties developed under average;
- 10% of the NGOs are located in the poor counties.

## 5. Source of income for NGOs. Dynamic in time

### INCOME SOURCES FOR THE NONPROFIT SECTOR



## Financial cumulated situation of NGOs in 1997



From the point of view of financial support, the actual context represents a difficult moment for NGOs. Foreign donors, which partially determined the structure of the Romanian nonprofit sector, are progressively withdrawing, while corporate giving is growing. At the same time, NGOs became oriented to self sustainability.

### 6. The relationships between NGOs and other organizations

#### Relationship between NGOs and Public Administration

##### Methodology

A survey on the Romanian NGOs was developed during the first half of the year 1998. The responsible persons in NGOs had to identify their projects developed together with other NGO(s) or in partnership with local and central administration. They had to refer both to the projects developed in 1997 and to the projects that were developing during the first half of 1998.

On the other side, 71 persons working in the public administration were questioned about their interest in working with NGOs and were asked to evaluate the quality of their collaboration with the nonprofit sector.

Findings on the relationship between NGOs and public administration are also available from a qualitative research developed with NGO leaders in order to identify the nonprofit management practices and particularities.

An additional source of information on the issue was the media monitoring provided by the Center for NGOs Development (ACCES).

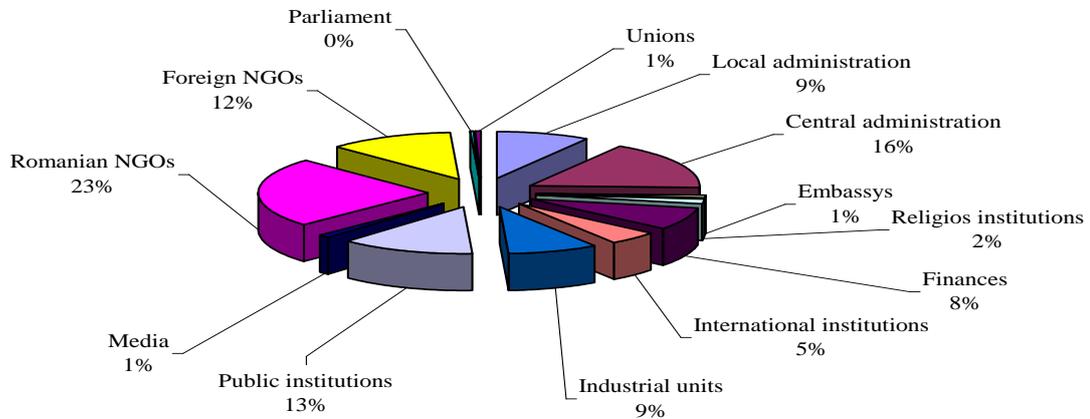
Data from the first edition on the survey on the Romanian nonprofit sector in 1996 were available for a comparative perspective, reflecting the dynamic in time of the Romanian NGOs.

The indicators used to evaluate the relationship of NGOs with administration were:

- the number of partnerships between NGOs and local or central administration;
- the evaluation of these partnerships provided by both NGOs and public administration;
- the documentation on the nonprofit sector available at the administrative level.

## Main findings

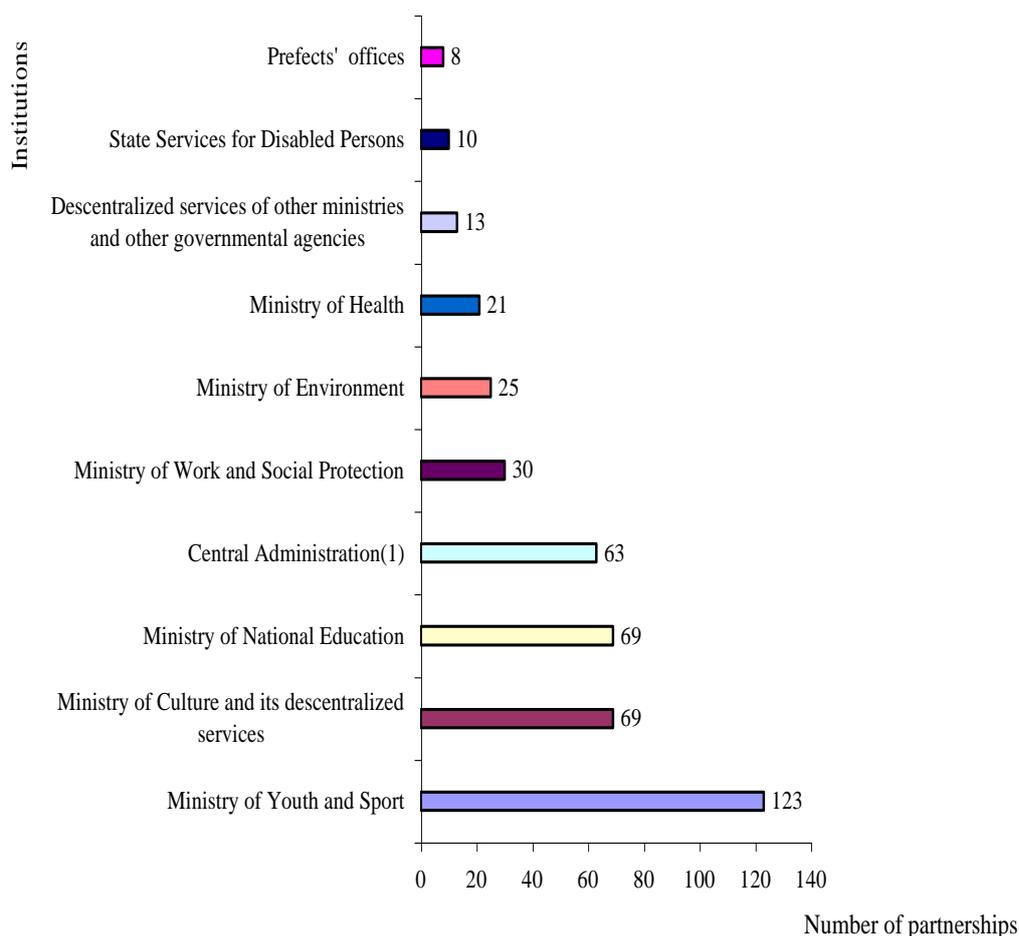
### INSTITUTIONAL PARTENERSHIP OF NGOs IN 1996



Observation: In some cases, the financial providers were considered as partners for the NGOs. The most important partners are other NGOs.

In 1996, local administration was not an important partners for the NGOs (NGOs had 9% partnerships with local administration and 16% partnerships with central administration). The decentralized services of the Ministries (education inspectorates, culture inspectorates, counties offices for youth and sport, INFOTIN, local directions for labour and welfare, social assistance offices and work offices) were included in the “central administration” category. The reason might is the insufficient decentralization of the resources at local level at that moment (1996).

## Partnership between NGOs and Central Administration in 1996



**Note:** 1)-various ministries and central governmental agencies: Ministry of Research and Technology, National Council for Ethnic Minorities, Office for Consumer Protection, Ministry of Agriculture, Ministry of National Defence, Ministry of Finance.

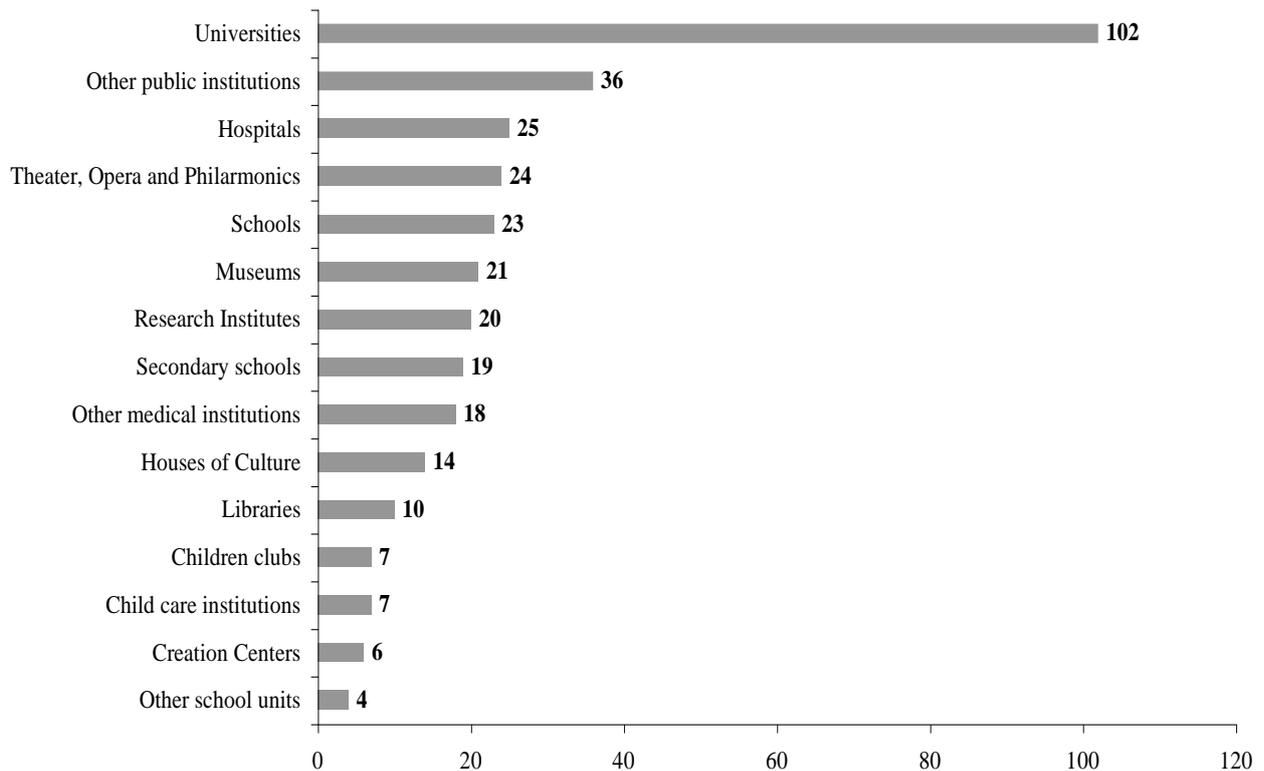
### Cooperation with central administration

In the field of environment protection, cooperation was registered with both environment protection agencies and forest wards. The Water and Forest Administration was also frequently mentioned as partner for the NGOs, but it was included in the category of enterprises.

In the youth sector the partners which were identified were counties offices for youth and sport and the Ministry of Youth and Sport itself. The information offices for youth INFOTIN were also identified as partners.

The institutions mentioned as partners were not included in the category of *central administration*.

### Cooperation with public institutions in 1996



Public institutions are an important partner for the nonprofit organizations, mentioned in 13% of the analyzed projects. This category includes: educational institutions (kindergartens, schools of all levels and very often high level educational institutions) in 44% cases, and hospitals, museums, libraries, clubs, aged people hostels, hospital hostels, houses of the teaching staff, orphan asylum, children clubs, research centers and institutes and creation centers.

### Cooperation with other NGOs

There are some NGOs mentioned as partners more frequently: counties Red Cross Societies, ARAS, ACR, pensioners' organizations, mutual benefit funds, sport associations, clubs and federations, scouts organizations and youth foundations.

### Cooperation with enterprises

Very few multinational companies were mentioned as partners. Most frequently mentioned in this category were banks, autonomous administrations and the National Society of the Railroad, local autonomous administrations of transport and communal services and local companies.

Most of the partnerships of NGOs are intersectorial. The partnerships between NGOs and local or central administration are not as many as the partnerships between nonprofit organizations. Partnerships with the local administration are in a greater number than the partnerships with central administration. The partnerships with the central administration are more numerous in Bucharest.

In qualitative analysis, more factors were identified to act as determinants for this picture of the relationship between the nonprofit sector and public administration:

- the availability of the local administration to cooperate with local NGOs;

- the access to local and especially to central administration;
- communication between administration and NGOs;
- the presence of common interests or priorities (in certain fields of activity or on particular issues) of NGOs and local administration;
- the presence of a pattern of action, involving the community, at local level;
- the concern of the public administration towards the nonprofit sector;
- the number of persons named at the administrative level to work on the relationship with NGOs.

The persons named to work on the relationship with NGOs at local level usually develop activities like:

- elaborate and update a database with the NGOs in their county;
- provide assistance and consulting for the NGOs to obtain grants;
- provide assistance and consulting for the financial providers, in order to develop grants programs;
- provide information to the nonprofit sector;
- cooperate with the nonprofit sector.

These types of answers suggest a lack of established tasks aimed to develop a relationship with the nonprofit sector. This job is seen as general, without objectives, strategies, methods of evaluation etc.

At local administration level, the interest for cooperation with the nonprofit sector is perceived to be moderate (30 answers from 71) to high (33 answers of 71 are for a “high interest” and 6 answers of 71 are for a “very high interest”).

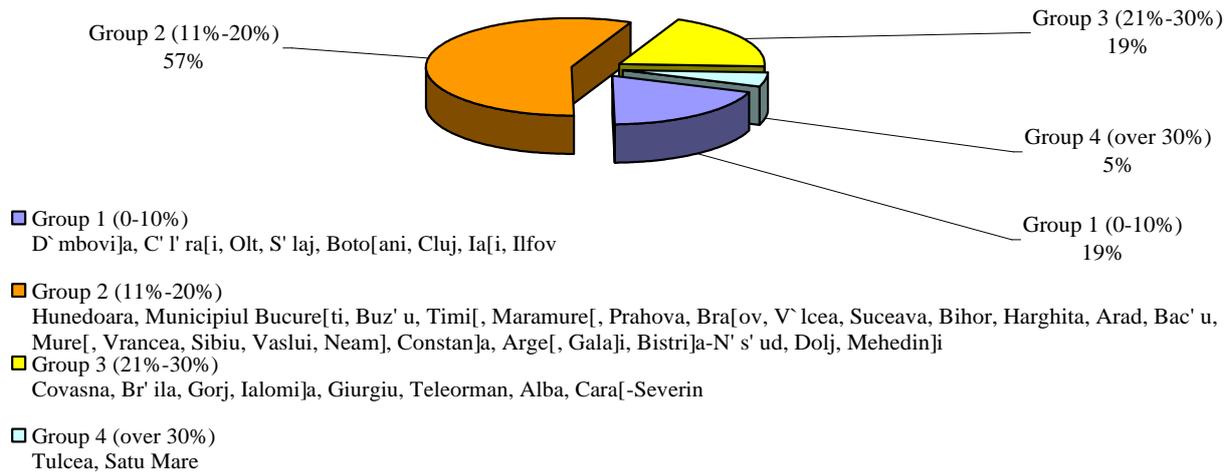
The partnerships between NGOs and local administration were generally oriented in the following fields of activity:

- Culture;
- Democracy – Human Rights;
- Social services;
- Community development, especially through the tourism development;
- County forums of NGOs,
- Information on grants programs.

The value of these activities was perceived as being significant (57 answers from 71).

The knowledge of local administrations and its activities toward NGOs is based on a documentation consisting of catalogs and databases provided, usually, by local NGOs or CSDF, publications and bulletins of NGOs (like Info ONG and Voluntar), presentation materials of various NGOs. This situation suggests that the initiative of communication between NGOs and public administration belongs, in greater part, to the nonprofit sector. The relationship between these parts is still superficial and conditioned by objective, administrative factors like bureaucracy. What is important is that the first steps are made in the direction of cooperation of administration with the nonprofit sector.

### INTENSITY OF PARTNERSHIP BETWEEN NGOs AND LOCAL ADMINISTRATION BY GROUP OF COUNTYS IN 1997



At least at local level, the activities of NGOs started to be recognized for some features:

- are effective at lower costs due to the volunteerism;
- have a community and regional development role;
- have a fundamental field experience;
- the projects developed by NGOs have continuity and cover larger areas which are harder to be reached by the administration;
- in their activities, they prove mobility, flexibility and a better adaptation to the needs they are trying to solve and to the environment where they activate;
- they encourage public participation and have a representative role;
- NGOs are regarded as having important resources (human, material and financial) and also as being able to attract financial resources to the benefit of the community;
- their activities are complementary to the activities of public administration.

The partnership between public administration and NGOs is expressed through “partnership agreements”.

The following factors that discourage this type of partnership were identified by the administrative staff:

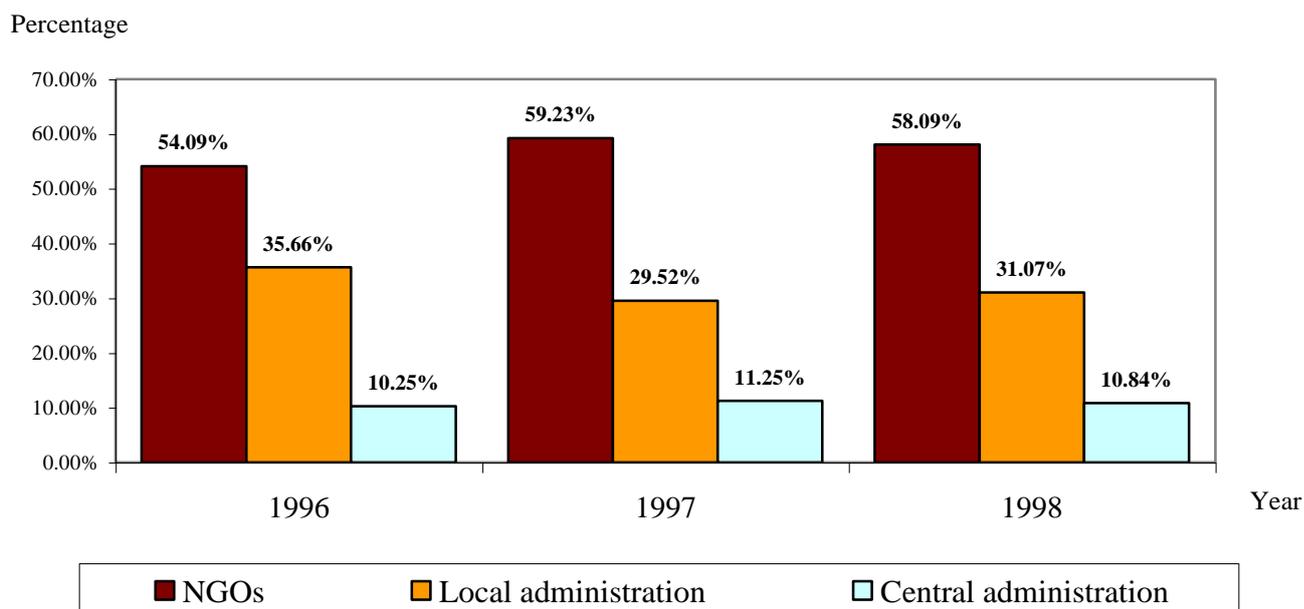
- the legal frame of the nonprofit sector;
- the lack of methodological norms;
- the bureaucracy in the administrative environment;
- the (low) budget of the administration;
- the lack of experience and knowledge about the nonprofit organizations, related to the unequal access to training sessions and professional exchanges over the country;
- the overloaded schedule of the administrative staff;
- the public image of some nongovernmental organizations.

The qualitative analysis revealed the opinion that the partnerships between NGOs or between NGOs and public and governmental institutions have to be a part of the strategy of consolidation of the nonprofit sector. Partnerships, either permanent or limited on specific projects, offer the possibility of developing multiple and complex activities. In a partnership, the parts put together their resources and their experience. The public and governmental institutions are seen as providers of facilities like ensuring the presence of the media, free advertising, tax exemptions etc. (which are more difficult to be accessed by NGOs).

## Conclusion

Even though a relationship between public administration and NGOs appeared once the nonprofit sector emerged, this relationship remained a bureaucratic duty for a long time. It was the initiative of NGOs to build a real relationship with the authorities and its institutionalization through the local administration offices responsible for the relationship with NGOs can be considered as a recognition of the value and impact of the nonprofit sector in society. In this context, the relationship between administration and the nonprofit sector improved and the number of partnerships increased.

### Comparative analysis by class of NGOs partners for 1996-1998



### Relationship between NGOs and media sector

#### Methodology

In the 1996 survey, the NGOs were asked to evaluate their relationship with mass media on a scale from “very good relationship” to “no relationship”.

Findings on the relationship between NGOs and public administration are available from a qualitative research developed with NGO leaders in order to identify the nonprofit management practices and particularities.

An additional source of information on the issue was the media monitoring provided by the Center for NGOs Development.

#### Main findings

In 1996, 57% of the NGOs included in the survey evaluated their relationship with mass media as “very good” and “good”.

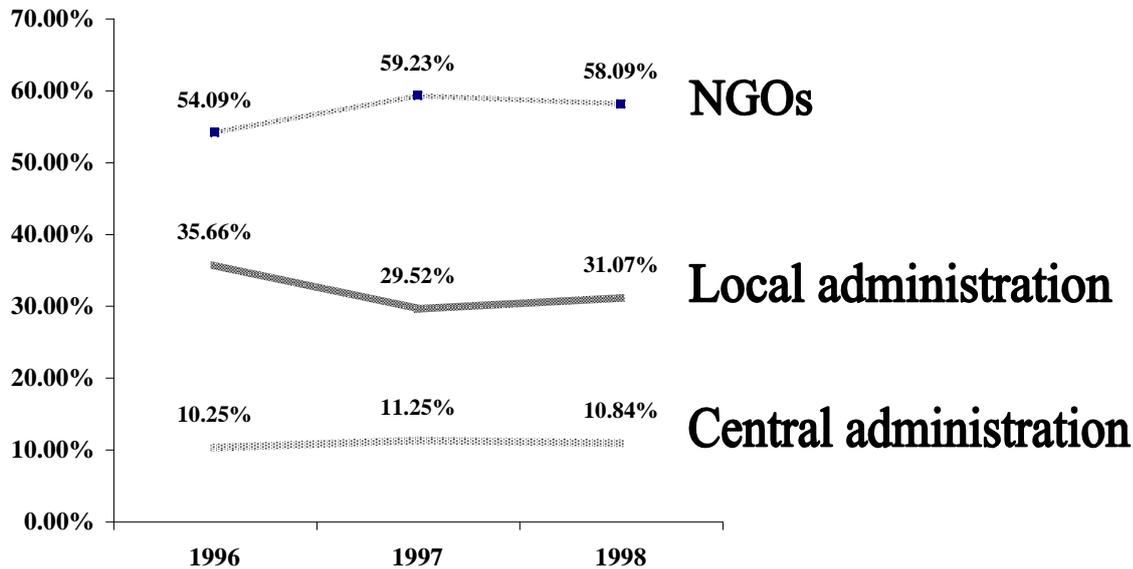
In the opinion of some NGO leaders, mass media often offered to the public a negative image of the nonprofit organizations. The public’s perception on the nonprofit organizations is based on the story provided by the media and not on a direct, personal experience (as volunteer, beneficiary or member). In this context, the image of NGOs as reflected in mass media influences both the general

public and the potential financial supporters or sponsors. This situation determined the nonprofit organizations to develop informative programs aimed to build a real, balanced image. They promote themselves through magazines, informative bulletins, posters, press conferences, public events or by radio and TV appearances. These actions are supposed to improve the relationship with mass media.

**Conclusion**

The importance of a good and permanent relationship with mass media is largely recognized, so the nonprofit organizations are concerned to improve it.

**Comparative evolution of partnerships for 1996-1998**



**Relationships between NGOs and business sector**

**Methodology**

In the 1996 survey, the NGOs were asked to evaluate their relationship with the business sector on a scale from “very good relationship” to “no relationship”.

A study on corporate giving developed in 1997 provides information about the relationship between NGOs and the business sector in the frame of corporate giving.

Findings on the relationship between NGOs and the business sector are available from a qualitative research developed with NGO leaders in order to identify the nonprofit management practices and particularities.

An additional source of information on the issue was the media monitoring provided by the Center for NGOs Development.

**Main findings**

In the 1996 survey, NGOs were asked to evaluate their relationship with banks, private companies and state owned companies. On a scale from “very good relationship” to “no relationship”, 38% appreciated the relationship with private companies as very good and good, 23% appreciated the relationship with state owned companies as very good and good and 30 % appreciated the relationship with banks as very good and good.

In 1996, 3 of 4 commercial companies awarded at least one donation or sponsorship. The main applicants for corporate support were the institutions from the public sector (41%), followed by private individuals (31%) and NGOs (28%). Most accepted giving requests were those from public institutions (44%), NGOs (31%) and private individuals (25%).

The public institutions that benefited from most of corporate giving were schools and hospitals, followed by universities, orphanages and local public administration. Radio, public television theaters, aged people homes and church are a second important segment of giving beneficiaries.

## **Conclusion**

80% of the total of companies supported activities developed by NGOs. The giving requests from NGOs that have already got a donation or sponsorship have more chances to be accepted.

Generally, corporate giving is to be found rather at local levels.

## **TRENDS**

After a period of self identification in the legal, economic, political, social and cultural context of the moment, the nonprofit sector came to maturity.

Some organizations have already a determined and recognized position in the political, social and cultural environment.

Once recognized especially as services providers, NGOs might focus on new directions like lobby, and international cooperation.

A relatively new aspect is the need for equal opportunities for NGOs. Small, local NGOs are frequently less exposed to information or to opportunities than the larger, central ones. Efforts in this direction are made by CSDF through resource centers, county and sectorial forums, training programs. Governmental offices for the relationship with NGOs are settled in each county and the personell is trained to provide assistance for both NGOs and potential of providers support.