

Parsing Donor Funding for Civil Society: A New Agenda for Research

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There are noteworthy differences in donor approaches to funding civil society development, which may have an important impact on the formation, operation, and vibrancy of civil society. Examination of donor funding for democratic and civil society development in European post-communist states uncovers these differences, and highlights the key role played by non-state donor organizations. Among other implications, the distribution of funding priorities and the changing mix of assistance may foreshadow trouble for civil society in many states.

Overview

This research examines democracy assistance in post-communist Europe for 1990-2004, with particular attention to funding for civil society. The purpose of the research was to examine trends and patterns of civil society funding from all donors – not just bilateral and multilateral development agencies – in order to gain insights on how such assistance may have shaped civil society, how it may be changing, and what we may see in the future. Data on other assistance for democracy and governance aspects was collected as well, because civil society assistance does not exist in a vacuum and its mix in overall assistance for democratic development is also important. More importantly, the project goes beyond the traditional focus on official donor agencies to examine private and quasi-private organizations.

The donors include such official bilateral donor agencies as USAID, the UK's Department for International Development (DfID), and the Swedish International Development Agency (SIDA); the EU itself, as opposed to the separate treatment of individual Members' activities; political foundations such as the National Endowment for Democracy (NED) and the Westminster Foundation for Democracy; prominent private foundations like Ford, Mott, and the Open Society network institutions; and such public-private 'legacy' foundations as the Baltic-American Partnership Fund, the Trust for Civil Society in Central & Eastern Europe, and the Balkan Trust for Democracy created with combinations of private foundation and official donor agency funding.

Data are for all post-communist Europe countries with the exception of Russia. Regional groupings were created for Northeastern Europe, Central Europe, Southeastern Europe, and European former Soviet Union; note that Slovenia was placed in the Central Europe regional grouping because of EU accession timing.

Table 1 as well as Figures A-1 and A-2 provide total funding breakdowns by region and funder type. The dominant position of Southeastern Europe is readily apparent, driven by ethnic civil war, humanitarian crises, and collapsed states. It is similarly easy to note the dominance of bilateral official donor agencies

Table 1

Donor	Society						State						Grand Total
	EurFSU		NEEur		SEEur		EurFSU		NEEur		SEEur		
	CEur	Regl	CEur	Regl	CEur	Regl	CEur	Regl	CEur	Regl	CEur	Regl	
United States	56,845	199,789	10,929	85,102	684,579	1,037,244	76,420	154,838	8,249	100,481	555,716	895,704	1,932,948
Sweden	1,269	19,131	4,309	68,206	54,805	147,720	14,716	19,476	44,827	28,142	66,295	173,456	321,176
Norway	217	1,439	402	25,256	130,968	158,283	22	18	233	3,111	45,318	48,703	206,985
Netherlands United	5,112	4,389	2,624	10,666	53,682	76,473	14,416	10,765	5,250	4,604	93,498	128,534	205,007
Kingdom	3,491	2,980		549	17,236	24,256	42,941	11,487	2,602	9,306	73,852	140,188	164,444
Canada	2,956	23,282	260	9,890	23,447	59,836	5,417	21,151	7,580	4,087	18,943	57,177	117,013
Germany	1,170	6,283	27	4,559	22,065	34,103	2,364	1,434	1,509	10,104	46,411	61,823	95,926
Switzerland		324		3,019	29,092	32,434	63	1,937		7,043	36,239	45,282	77,717
All Others	654	2,645	1,892	5,514	70,033	80,737	5,911	2,539	6,481	14,147	141,924	171,001	251,739
Bilaterals	71,714	260,261	20,443	212,761	1,085,906	1,651,086	162,270	223,646	76,730	181,025	1,078,197	1,721,868	3,372,954
EU	6,341	12,003	1,108	32,783	94,427	146,661	21,259	5,577	6,756	132,756	856,909	1,017,679	1,164,341
Multilaterals	23	726	35	2,949	15,960	19,693	5,577	56,411	32,496		169,375	263,858	283,551
Jaures	9	0			37	45					0	0	45
Mozer	15	15			31	62	15				15	31	93
NED	14,151	12,671	2,003	17,252	25,362	71,440	3,824	2,360	607	5,269	4,957	17,017	88,457
RD	96			18		114							114
WFD	2,301	20	172	1,778	3,903	8,174	212				294	506	8,680
Pol Finds	16,572	12,706	2,175	19,048	29,333	79,835	4,052	2,360	607	5,269	5,266	17,553	97,388
Ford	22,214	5,600		12,335	2,245	42,393	4,093			3,222		7,315	49,708
Mott	37,994	10,471	320	13,986	24,990	87,761	349	600		480		1,429	89,190
Open Society	83,026	52,792	27,785		146,650	310,253	15,898	18,969	15,007		58,105	107,979	418,232
Priv Finds	143,234	68,863	28,105	26,320	173,885	440,407	20,340	19,569	15,007	3,702	58,105	116,723	557,130
BAPF			7,612			7,612							7,612
BTD					1,261	1,261					156	156	1,416
TSCCE	18,423				1,044	19,467							19,467
Pub Finds	18,423	7,612	7,612	2,305	2,305	28,341					156	156	28,496
Croatia					1,405	1,405					60	60	1,464
CzechRep	3,872					3,872							3,872
Hungary	1,672					1,672							1,672
Poland	57					57							57
Slovakia	624					624							624
State	6,225	354,559	59,478	293,862	1,403,221	2,373,652	213,497	301,986	131,596	322,752	2,168,066	3,137,897	5,511,550
Grand Total	262,532	354,559	59,478	293,862	1,403,221	2,373,652	213,497	301,986	131,596	322,752	2,168,066	3,137,897	5,511,550

Different Approaches by Donor

Looking at distributions of democracy assistance across categories (see Tables 2 and 3) provides interesting insights on reform priorities by donors. Over 1990-2004, the US government was clearly the largest source of democracy and governance assistance, although it should be noted that in the latter half of the time period the EU has at times been larger due to funding for EU accession candidates. More surprising may be the strong presence of the Open Society network institutes and the Mott Foundation, both private actors and yet more active than many traditional bilateral donors.

The first table also highlights different approaches to assisting development of democracy, seen in the distribution of funding between society-oriented (civil society, free flow of information, elections, and human rights) and state-oriented activities (administrative reform, legal-judicial institutions, public finance) (see the Methodology Appendix for further details). The US has a slight inclination toward society-oriented programs, although the figures for state-oriented are skewed somewhat by significant increases since 2001 for counter-terrorism, security, and other law enforcement programs. EU programs, on the other hand, are overwhelmingly state-oriented, not unexpected given the EU’s priority for reforming state institutions in EU accession candidates. What is more interesting is that the US pattern is found among other non-EU members like Norway, Canada, and private foundations, while the EU pattern is found among the other EU members. Indeed, what may be most striking to many is the high profile of private foundations, particularly the Open Society network institutes.

Table 2 (all figures in \$000,000s)

Donor	Society-Oriented	State-Oriented	Total
United States	1,117	970	2,086
EU	147	1,018	1,164
Open Society	310	108	418
Sweden	148	173	321
Norway	158	49	207
Netherlands	76	129	205
United Kingdom	26	142	168
Canada	60	57	117
Mott	97	2	98
NED	79	19	98

The third table provides details within the society-oriented group, which give us more understanding of priorities and approaches among the major donors; note that some of the patterns seen, however, may be due to informal donor coordination and comparative advantages. The US is again the largest of the official donor agencies, with Norway, Sweden, and the EU next but far below. US assistance not only focuses more on society than state institutions, but in the context of the post-communist transitions focused on promoting the development of civil society. The active approach taken by Norway and Sweden – and to a lesser but marked extent by the Netherlands and Canada – could also be viewed as a manifestation of state priorities, for Norway and Sweden have a long history of supporting human rights, the Netherlands has been a strong supporter of independent media in the Balkans, and all four states have large civil society sectors.¹ Among the top ten are four non-state organizations, in fact the second largest donor was the set of Open Society institutes, with Mott and NED outpacing two major official donors.

Table 3 (all figures in \$000,000s)

Donor	Civil Society	Elections	Free Flow Info	Human Rights	Total
United States	702	195	188	31	1,117
Open Society	111	--	165	35	310
Mott	90	2	2	3	97
Sweden	69	8	14	57	148
EU	68	6	10	63	147
Norway	45	3	8	102	158
NED	45	10	19	6	79
Canada	44	8	1	6	60
Ford	26	--	2	15	42
Netherlands	24	5	27	21	76

The list of top funders in each of the society-oriented subcategories is quite revealing. Open Society and Mott are the next largest civil society funders after the US, and Open Society is the second largest funder of free flow of information programs. Open Society’s focus on those two programming areas is to be expected from the philosophical basis for its activities. The Mott Foundation is especially noteworthy for its concentration of funding in civil society, a programmatic strength of the organization that was strategically applied in Central Europe. NED, a political foundation supported by the US government, provides direct funding to four core institutes (IRI, NDI, CIPE, ACILS), but in addition funds a wide variety of society-oriented activities. For its part, Ford has a long history of supporting human rights, public law, and civil society development.

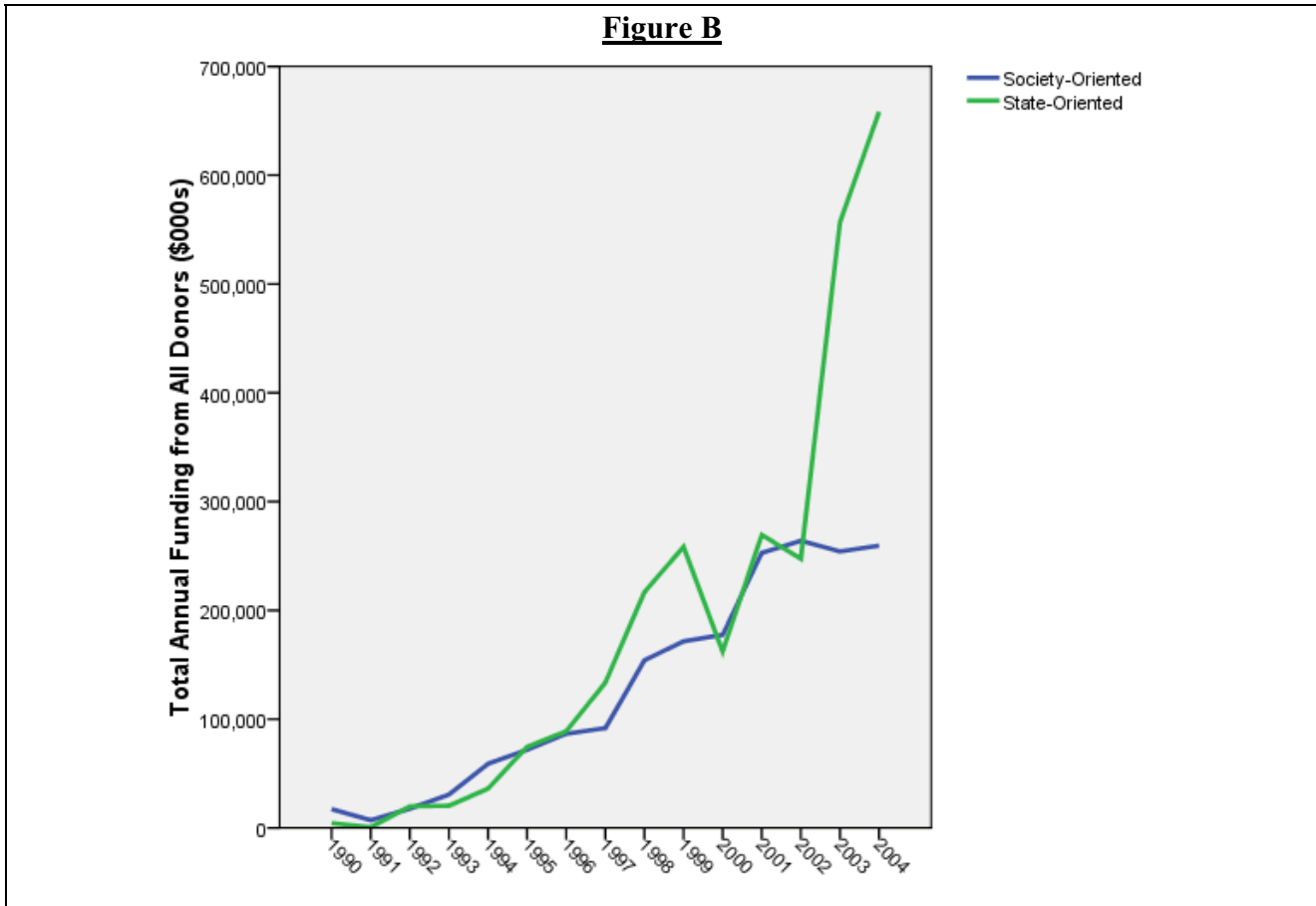
A closer look at the data also shows how funding is distributed regionally according to perceived need (see Figure A-1 for a regional breakdown of all democracy and governance donor assistance). Northeastern Europe assistance was dominated by the US, then Swedish aid (overwhelmingly state-oriented), followed closely by Open Society, and then the ‘legacy’ Baltic-American Partnership Fund (BAPF). Assistance in Central Europe was dominated by the US, Open Society, the UK (overwhelmingly state-oriented), and Mott. Programs in European former Soviet Union states were funded mostly by the US, Open Society, and Sweden. It is funding in Southeastern Europe where

¹ See the findings of the Johns Hopkins Comparative Nonprofit Sector Project, www.jhu.edu/cnp.

we see a different pattern that is in response to the various Balkan conflicts: the US is still the largest, followed by the EU, Open Society, the Netherlands, and Sweden.

Changing Mix Over Time

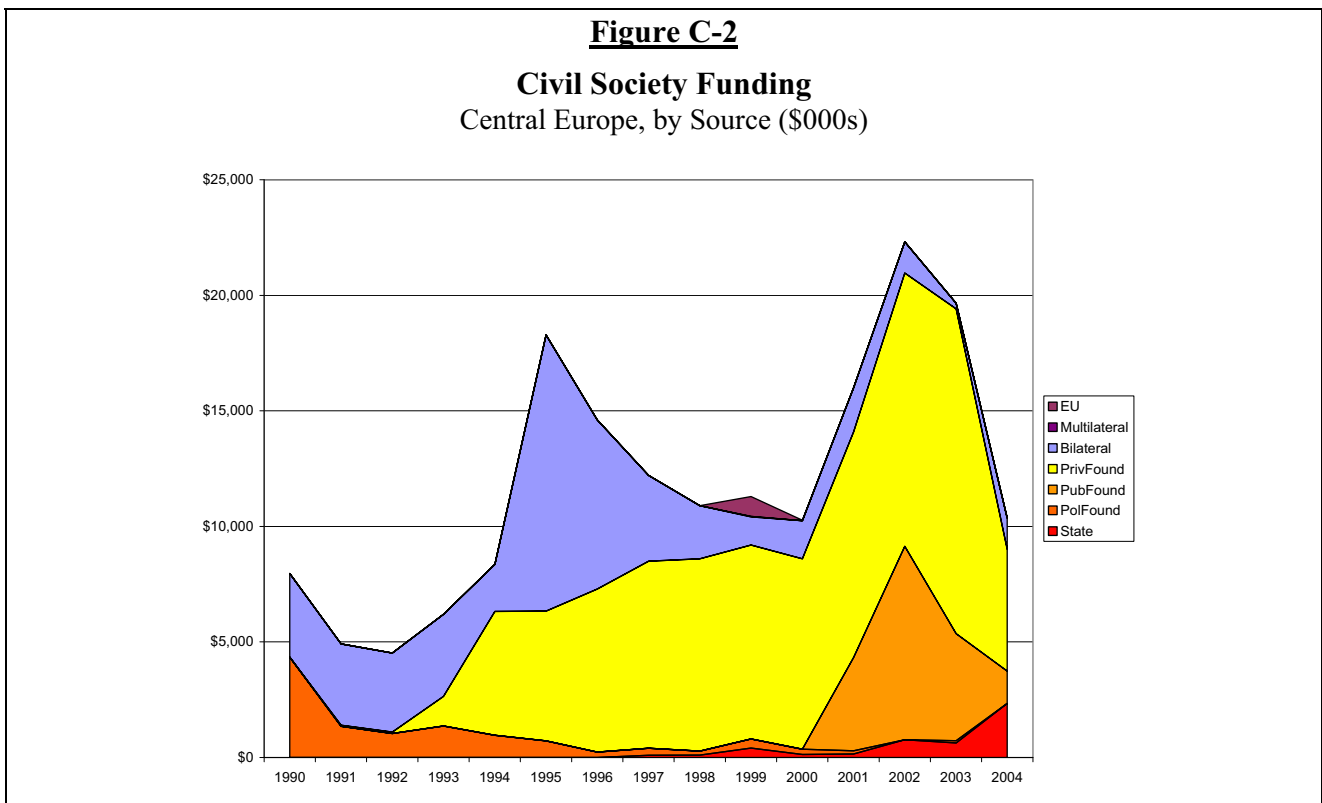
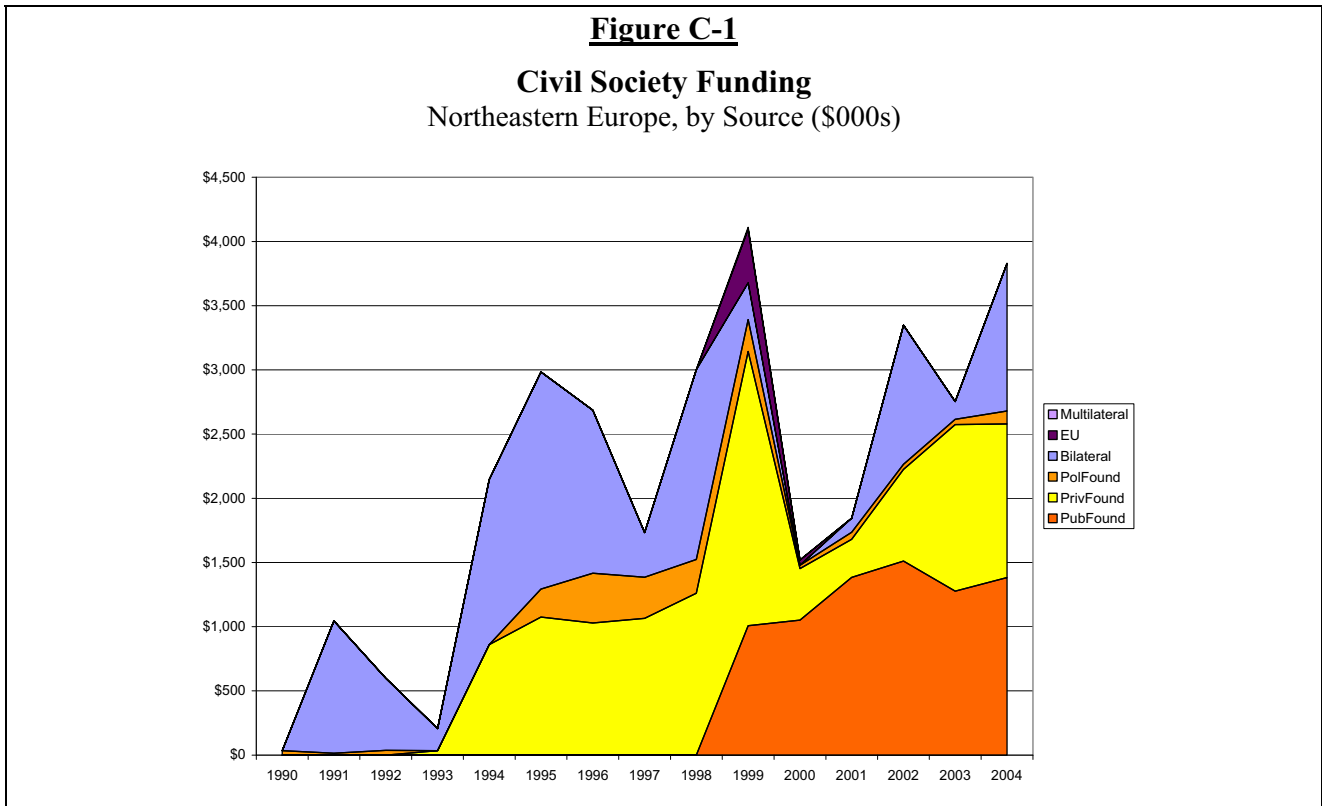
How the mix of programs, regions, and donors changed over time is also informative. The society- and state-oriented groups tracked very closely each year except for a slight increase in state-oriented funding at the end of 1990s and a large jump after 2002, both of which are largely attributable to EU funding increases for EU accession candidates (Figure B).



Looking at the top donors overall, the US was the largest donor until 2003, when the EU took over the lead. When we look at the orientation groupings, though, different patterns emerge: the US remains the largest donor for society-oriented activities, and the EU is never even the second largest; for state-oriented activities, the EU and the US trade the top two positions frequently, with the EU dominating as of 2003. With respect to civil society funding, the US is the largest donor even compared to the EU and all EU members combined. In terms of longevity, only the US, the UK, Sweden, Canada, NED, and the private foundations were actively engaged on a meaningful level before the mid-1990s.

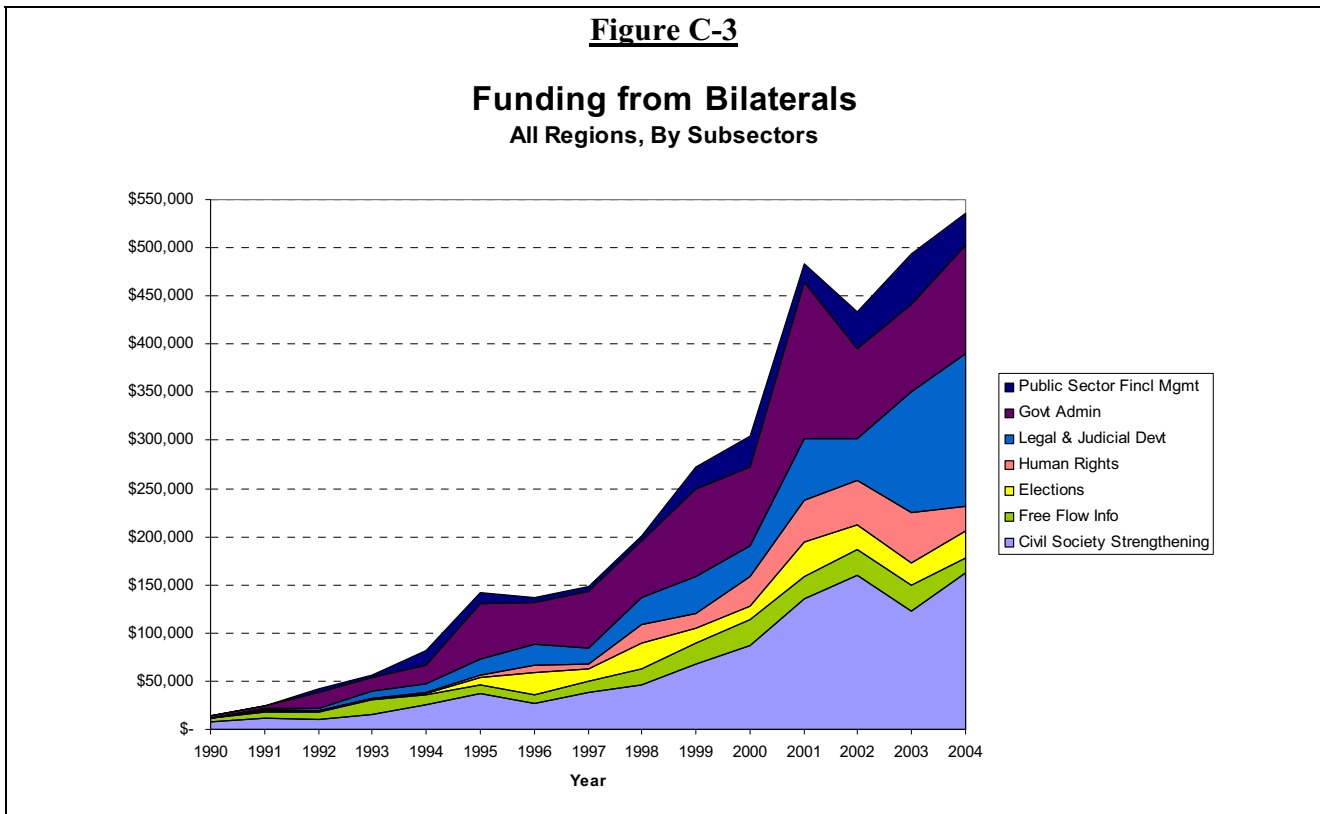
It is the activities of the private and public (legacy) foundations that are most striking. Looking at how the donor type changed over time shows that these organizations often either continued their lead role or stepped up their efforts as official donor agencies closed out activities (Figures C-1 through C-5). For example, when donors began leaving the Baltics and then Central Europe, Mott and the Open Society network institutes dramatically increased their civil society efforts, joined in time by the public (legacy) Baltic-American Partnership Fund and Trust for Civil Society in Central

& Eastern Europe. Ford's notable efforts in support of human rights and legal reform run throughout the time period, split between Central Europe and a more general regional effort.



Figures C-2 and C-5 also capture the rise of state-based grant-making schemes for indigenous civil society organizations, funded from state budgets, taxpayer checkoffs, privatization, or ‘vice’ taxes.

A similar pattern is seen in funding for free flow of information, where the US and the Open Society network institutions play far and away the most prominent roles (Figures C-3 and C-4). US funding for improving the free flow of information was in the area of \$15-\$20 million per year for most of this time period. Open Society, which began activities before USAID missions began closing throughout post-communist states, had funding levels of \$7-\$12 million per year. Political foundations provided more funding for such activities than the EU.



Indeed, as Figure C-4 demonstrates, private foundations began making sizable funding allocations when bilateral development efforts migrated eastward to the former Soviet states. Their annual funding levels may have been much lower than that of the bilaterals in the first half of the 1990s, but over time the private foundations made larger investments. The story of the development of civil society and democracy in post-communist states is incomplete and misleading without recognizing this contribution.

Figure C-4

**Funding from Private Foundations
All Regions, by Subsectors**

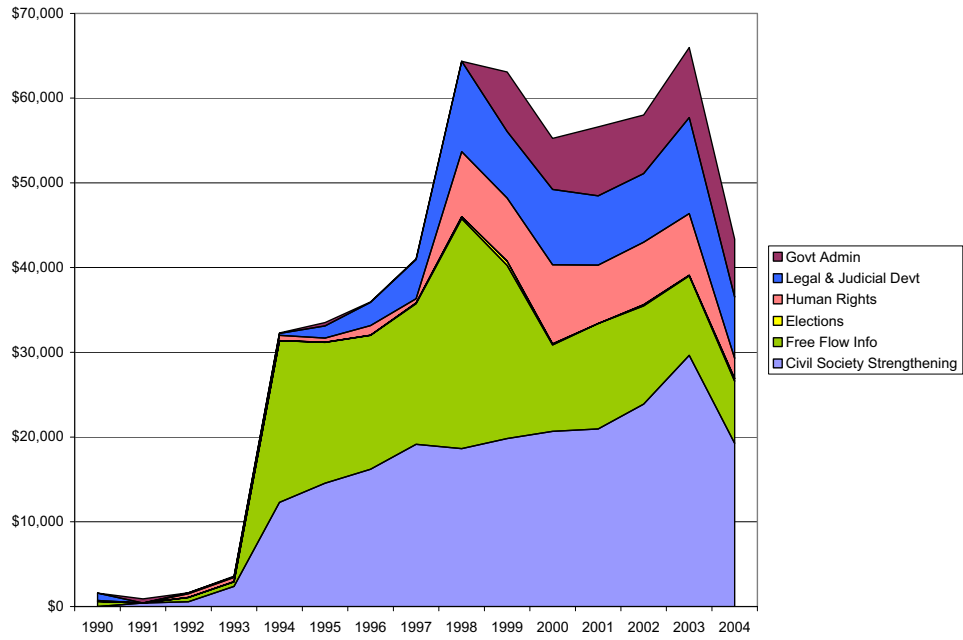
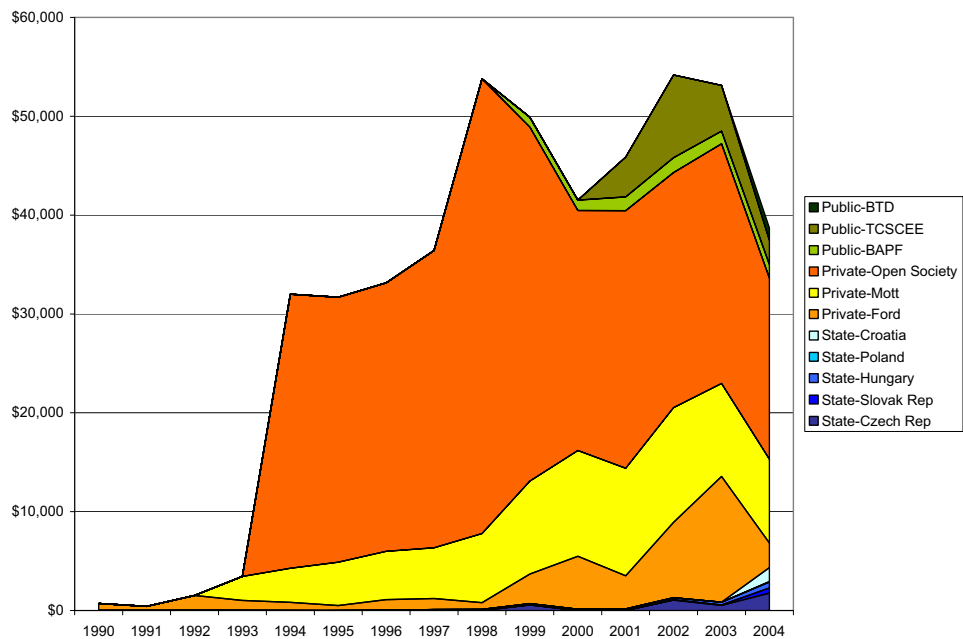


Figure C-5

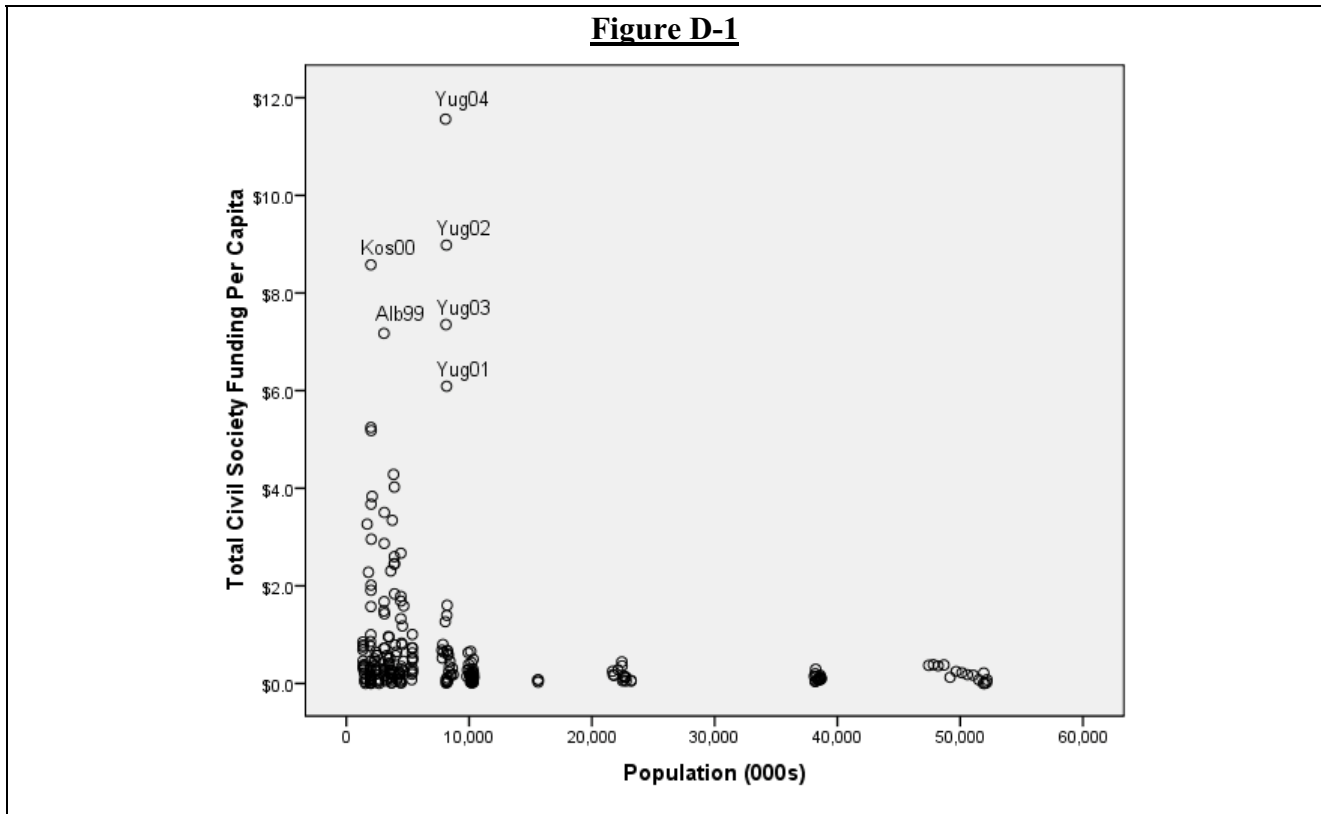
**Funding for Civil Society
Private Foundations, Public Foundations, State Grants, All Regions (\$000s)**



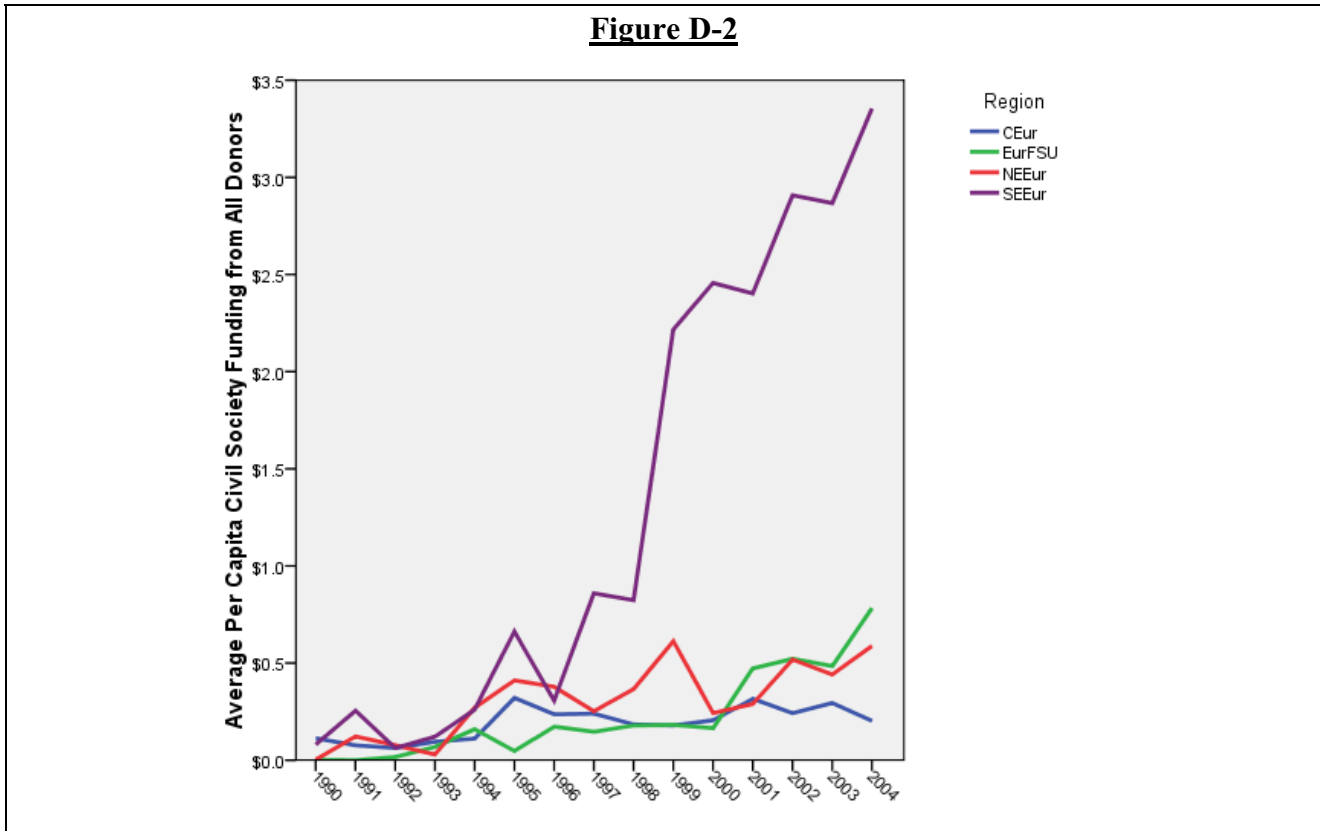
Among the smaller of the top donors, the Netherlands has maintained a focus on human rights and legal development, a comparative advantage for this EU Member state. Its programming has been spread across all regions, with some emphasis on Southeastern Europe. Norway's support for human rights and legal development has been overwhelmingly in Southeastern Europe and at a regional level. A concentration of funding in Southeastern Europe can also be seen in the remainder of the smaller top donors. Beyond Southeastern Europe, it was a small group of bilateral donor agencies, private foundations, and political foundations that attempted to shape democratic development generally and civil society development specifically.

Funding Levels and Possible Impact²

The dominant position of Southeastern Europe among the regions suggests that funding is based on perceived need, not on target state size. Adjusting the annual funding levels of civil society for all donors to account for population size, however, Figure D-1 provides visual counter-evidence that size is usually taken into account for funding levels. As might be expected and can be seen generally in Figure D-2, large deviations from the clusters are related to the Kosovo conflict, post-Milosevic democratization, and the Bosnian civil war, but otherwise funding levels are generally found within a band up to \$1/person.



² The remainder of this analysis is based on a dataset that excludes state-based grants for indigenous civil society organizations and all regional program funding.



Indeed, funding levels from ‘public’ donors (bilaterals, multilaterals, and political foundations) and ‘private’ donors (private foundations, public ‘legacy’ foundations) are each found within a much narrower band near \$.20-\$.40 per capita. This is not to say, though, that these two general types of donors are coordinating in any meaningful way: there were no significant correlations between same-year, one-year lagged, and two-year lagged versions of each type’s per capita figures. Public and private funders each seem to operate according to their own logic.

Does either logic seem to have an impact on the development of civil society or even democracy? To explore this, I will calculate correlations between per capita funding levels, two well-known measures of civil society, two less-known measures of civil society, and one well-known measures of overall democracy. Per capita funding levels for private and public donors will again include one- and two-year lagged versions in addition to the same-year version. USAID’s NGO Sustainability Index (NGOSI) overall average and Freedom House’s Nations in Transit civil society (NiTCS) score will be used as measures of civil society development.³ In addition, analysis will include the NPS indicator of Andrew Green (2002) and Cingranelli & Richards’ (CIRI) ‘Assn’ measure of the freedoms of assembly and association, both of which cover almost the entire period of the funding dataset.⁴ Freedom House’s combined scores for political rights and civil liberties and Polity IV’s democracy-autocracy scores will be used as measures of democratic development.⁵

³ Both measures run from 1 (best) to 7 (worst), so I have followed convention and transformed them here to be 1 (worst) to 7 (best) in order to ease interpretation of results.

⁴ NPS scores run for 0 (worst) to 4 (best), built on coding for registration processes, allowable organization types, economic concessions, and political activities. ‘Assn’ is based on coding of the State Department’s annual Human Rights Reports, with Amnesty International annual reports used for clarification.

⁵ Freedom House political rights and civil liberties scores run from 1 (best) to 7 (worst) individually and from 2 (best) to 14 (worst), so I have followed convention and transformed them to be 2 (worst) to 14 (best).

Table 4

Correlations Pearson's R	NGO Sustainability Index (Avg)	Nations In Transit Civil Society	NPS	Assn	Freedom House
Private Civil Society Per Capita (same year)	.388 ** <i>n</i> = 129	.313 ** <i>n</i> = 145	.359 ** <i>n</i> = 169	.201 ** <i>n</i> = 248	.352 ** <i>n</i> = 249
Private Civil Society Per Capita (lagged 1 yr)	.424 ** <i>n</i> = 129	.312 ** <i>n</i> = 145	.263 ** <i>n</i> = 168	.142 * <i>n</i> = 247	.329 ** <i>n</i> = 248
Private Civil Society Per Capita (lagged 2 yrs)	.371 ** <i>n</i> = 129	.302 ** <i>n</i> = 145	not sig	.149 * <i>n</i> = 246	.291 ** <i>n</i> = 247
Public Civil Society Per Capita (same year)	-.360 ** <i>n</i> = 129	-.252 ** <i>n</i> = 145	not sig	not sig	-.130 * <i>n</i> = 249
Public Civil Society Per Capita (lagged 1 yr)	-.311 ** <i>n</i> = 129	-.247 ** <i>n</i> = 145	not sig	not sig	-.137 * <i>n</i> = 248
Public Civil Society Per Capita (lagged 2 yrs)	-.266 ** <i>n</i> = 129	-.234 ** <i>n</i> = 145	not sig	not sig	-.126 * <i>n</i> = 247

** $p < .01$, * $p < .05$

The results in Table 4 are quite interesting, although all significant correlations are somewhat low. Note that for NGOSI, NiTCS, and Freedom House, the same-year and one-year lagged versions are of similar strength, and the two-year lagged versions show a moderation of effect.

Private per capita funding for civil society shows a similar pattern, direction, strength, and significance across all five measures. NPS showed a significant positive correlation for the same-year and one-year lagged versions, while Assn was weaker in both correlation level and significance. These findings echo those of Finkel et al (2007), which found both a contemporaneous and a lagged effect for USAID civil society funding (yearly funding computed on a rolling two-year average) on their composite measure of civil society.

More surprising and in need of interpretation, however, are the negative direction and non-significance of the effect of public per capita funding for civil society, i.e., the more such donor organizations put into developing civil society, the worse civil society and democracy become in all three timeframes. Thinking back to Figures D-1 and D-2, though, provides food for thought, because public donor organizations put exponentially larger amounts of funding into the very difficult cases of Kosovo, Serbia & Montenegro (Yugoslavia), and Bosnia. It is not unreasonable to speculate that those cases could be distorting the results, so that excluding those three cases from analysis should produce different results. And it did, just not in the way expected: the direction of correlation remained negative, and the correlations themselves became stronger or remained roughly the same, and significance levels strengthened (Table 5).

Table 5

Correlations Pearson's R	NGO Sustainability Index (Avg)	Nations In Transit Civil Society	Freedom House
Private Civil Society Per Capita (same year)	.408 ** <i>n</i> = 109	.335 ** <i>n</i> = 129	.374 ** <i>n</i> = 223
Private Civil Society Per Capita (lagged 1 yr)	.444 ** <i>n</i> = 109	.327 ** <i>n</i> = 129	.330 ** <i>n</i> = 222
Private Civil Society Per Capita (lagged 2 yrs)	.426 ** <i>n</i> = 109	.309 ** <i>n</i> = 129	.267 ** <i>n</i> = 221
Public Civil Society Per Capita (same year)	-.349 ** <i>n</i> = 109	-.304 ** <i>n</i> = 129	-.204 ** <i>n</i> = 223
Public Civil Society Per Capita (lagged 1 yr)	-.287 ** <i>n</i> = 109	-.278 ** <i>n</i> = 129	-.211 ** <i>n</i> = 222
Public Civil Society Per Capita (lagged 2 yrs)	-.294 ** <i>n</i> = 109	-.259 ** <i>n</i> = 129	-.191 ** <i>n</i> = 221

** $p < .01$, * $p < .05$

Taken together, the exploration of funding levels and correlations suggests that private funder and public funders allocate according to different logics, and may have different impacts. We should not make too much of this speculation about causality, however, for a number of reasons. First, almost the entire set of states has joined, is on a clear path to joining, or hopes to join the EU, a dynamic that stimulates democratic development in its own right. Second, all of these states are post-communist, which again may be a political dynamic that cannot be accounted for without adding cases from other continents. Third, on the one hand both NGOSI and NiTCS only cover the second half of the total time period, and thus we are unable to consider how either source of funding may have had an impact in earlier years, particularly in Northeastern and Central European states. On the other hand, NPS and Assn showed similar performance and yet they both cover almost the entire timeline of the dataset, but were not of use in this exclusion exercise because neither grapple with Kosovo or Bosnia in their coverage. For all of the above reasons, no further statistical analysis will be conducted in the absence of a more geographically comprehensive dataset.

Implications for Future Impact & Assistance Strategies

There are five main findings and one troubling implication to take away from this new dataset. ***First, the dominance of democracy assistance by the US is unmistakable***, particularly for society-oriented activities generally and civil society specifically, where it accounts for over half of the assistance from top donors. Going further, though, notice that US-based or -networked organizations extend the dominance to over 70% of society-oriented funding and 80% of civil society funding. The percentage is actually higher in Northeastern Europe, Central Europe, and the European former Soviet Union states, for a large share of the non-US-based or -networked funding was directed at Southeastern Europe.

Second, the state-oriented approach and assistance timing of the EU and Members is equally unmistakable. Funding from the general set of EU donors has been targeted at improving state institutions in preparation for EU accession. This is neither better nor worse than society-oriented funding, mind you, but it does point to a different approach in developing and deepening democracy. It should be noted that among the EU Members on the list of top society-oriented donors, the UK is the original home of Euroskepticism; Sweden joined the EU only in 1995 and has resisted the Euro and the proposed constitution; and the Netherlands has increasingly been concerned about the EU's relatively less liberal perspective on individual rights. Moreover, all three have quite large domestic civil society sectors. The issue of how well the EU interacts with civil society within and without has a long history.

Third, private and public (legacy) foundations have unquestionably played a critical role in democratic development in these states. From Ford's support for public law to Mott's support for civil society, to Open Society institutions' support for both free flow of information and civil society, it is hard to imagine what these post-communist societies would look like if not for the efforts of the private foundations. Indeed, in Central Europe, Mott and the Open Society institutes accounted for about 45% of total civil society funding during the time period. The 'legacy' foundations continue much of this important activity today.

Fourth, funding levels to a significant extent follow population size, with the notable exception of cases of widespread ethnic conflict. Despite similarities in funding levels between the group of 'public' donors and the group of 'private' donors, though, there seemed to be no coordination of funding or geographic strategy. This is troubling, not because private actors should be coordinating closely with bilateral or multilateral donor agencies, but because each group seems to operate according to different and potentially non-complementary logics. This raises questions of whether either strategy is better – a question that will have to wait for a more geographically comprehensive dataset – and whether there are synergies to be had at least through open communication about strategies.

Fifth, it is not entirely clear what impact civil society funding actually has. Finkel et al's (2007) study of the impact of USAID democracy & governance assistance demonstrated that civil society funding had modest but statistically significant effects on both democratic and civil society development. Here, though, with a much smaller set of states, we have incomplete evidence. There is some room to speculate that 'private' funding has a stronger impact than 'public' funding, or at least that the latter is not effective; the impact study did not include 'private' donors, so it is possible that causality has been misattributed. Unfortunately, without an adequate dataset to match what was available to Finkel et al, all discussions of this sort are purely hypothetical.

There is one troubling implication for the future, however, focusing on civil society. Recall from above that over 80% of civil society funding came from the US and US-based or -networked organizations, and then consider further the civil society funding from the UK and Canada, and it is not hard to presume that the civil societies that developed were heavily influenced by an Anglo-American model of entrepreneurial advocacy organizations. EU funding for new and accession candidate states envisions civil society involvement, but the organizations would almost certainly be service-providing organizations. As funding from these donors for one sort of civil society organization winds down, funding from the EU that flows to a different sort is picking up, and so we are left with an important question: what will happen to the advocacy organizations? Advocacy organizations are more reliant on philanthropy and revenue-producing economic activity, and tend to be excluded or ignored in public sector support. Unfortunately, as the Johns Hopkins Comparative Nonprofit Sector Project points out empirically, philanthropic giving is almost never a

large source of funding for civil society sectors, so we need to think beyond our misconceptions. Advocacy organizations will have to develop new sources of funding, whether from revenue-producing products and services or (more remotely) state contracts. Some of the post-communist states have developed indigenous sources of funding for foundations or advocacy organizations, including set-asides from privatization, percentages earmarked by individual taxpayers, and sin-tax proceeds, and for each region there is a 'legacy' foundation that could provide critical support.

There promises to be a 'market shake-out' among advocacy organizations in EU accession and candidate states, but that is not in and of itself a bad thing. What would be a serious problem for democratic development, however, would be the decimation of advocacy groups. Recent research on the democracy assistance shows not just a measurable impact of that assistance, but more specifically the impact of civil society, media, and election funding. When we think about democracy development and the role of assistance, we must be mindful of longer term trends, donor priorities and approaches, the impact of private and quasi-private organizations, and the key stopgap role that could be played by 'legacy' foundations.

Methodology Appendix

The primary source of data is the OECD Development Assistance Committee (DAC) Creditor Reporting System (CRS), which all official donor agencies report to annually in accordance with activity classification standards. The data for USAID is taken from the Green-Richter database of USAID budgets and activities, which is a more accurate and fine-grained data source than what was reported by the agency to CRS. Data for political foundations was compiled based on a reconciliation of figures available on the NED's website, a dataset kindly provided by James Scott, and Westminster annual reports.⁶ Private and 'legacy' foundation data came from annual reports.⁷

Official bilateral donor agencies like USAID, the UK's Department for International Development (DfID), the Swedish International Development Agency (SIDA), etc., as well as multilateral organizations like the European Union, the International Monetary Fund, the World Bank, etc., all report annually on their development assistance activities. The CRS activity categories are the basis of this dataset. For all non-official donor organizations like the Mott Foundation and the Baltic-American Partnership Fund, I have coded all activities according to CRS categories, based on additional consideration of the funder's own classification, program title, and text details. CRS includes a 'Government and Civil Society' category with many subcategories. I included all subcategories in the dataset initially, and then reviewed additional information to determine whether an item needed to be re-classified. Security-oriented subcategories were excluded from analysis, for example, landmine clearance, demobilization, post-conflict peacebuilding, and civilian peacebuilding and conflict prevention. The subcategories used for analysis are in two groups: (1) a 'society-oriented' group that includes civil society strengthening, elections, free flow of information, and human rights, which are aimed at improving the capability of individuals and private organizations to interact with the state; and (2) a 'state-oriented' group that includes government administration, legal and judicial development, and public sector financial management, which are aimed at reforming or assisting state institutions and their ability to interact with society.

The donors include official bilateral donor agencies; the EU itself, as opposed to the separate treatment of individual Members' activities; political foundations; prominent private foundations like Ford, Mott, and the Open Society network institutions; and public-private 'legacy' foundations created with combinations of private foundation and official donor agency funding. To the extent it was possible, I also added funding from a variety of state-based grant-making organizations focused on indigenous civil society organizations. For example, Hungary is the home of the famous '1%' law, the Czech Republic utilizes proceeds from privatization of state-owned enterprises, and others rely on 'vice' taxes. These are relatively new sources of funding, it should be noted, but have already achieved a respectable level of funding. I group official bilateral donor agencies, multilateral donor agencies, and political foundations under the more general heading of 'public' donors, following the logic that these organizations' budgets are entirely or overwhelmingly public in origin. I group private foundations and the 'legacy' foundations under the more general heading

⁶ My sincere thanks to NED for providing an easier-to-use dataset. James Scott of Oklahoma State University graciously offered his invaluable dataset on NED activities that he compiled for his 2005 *Democratization* article with Carrie Steele, "Assisting Democrats or Resisting Dictators? The Nature and Impact of Democracy Support by the United States National Endowment for Democracy, 1990-99." WFD did not respond to inquiries for necessary additional detail for some years. Although the German political foundations have reported sporadically to CRS, I could not locate an additional useful source of detailed information for their activities.

⁷ My thanks to Open Society for providing copies of annual reports prior to 1999, the Balkan Trust for Democracy for providing annual reports not yet publicly accessible, and Ford for assistance in locating materials.

of 'private' donors, following the similar logic that these organizations' budgets are entirely or overwhelmingly private in origin.

Data are for all post-communist Europe countries with the exception of Russia. Regional groupings were created for Northeastern Europe, Central Europe, Southeastern Europe, and European former Soviet Union; note that Slovenia was placed in the Central Europe regional grouping because of EU accession timing. Some activities were reported as regional in nature, either with an appropriate regional geographic marker or listed for a regional operating unit. To the extent that clear evidence of activity in one or more countries could be discerned from other relevant material, those activities were recoded; if not, they were labelled as generically regional. Note that the generic regional funds were excluded from the discussion of funding levels and possible impact, because the analysis was at the country level.

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