GONGO TRENDS AND TRANSFORMATIONS

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EXECUTIVE SUMMARY

The rise of Government Organized Non-governmental Organizations (GONGOs) across parts of Central and Southeast Europe and Eurasia has fundamentally altered the civil society landscape, challenging both domestic actors and donors alike in their quests to build up and assist in the development of an independent civil society.

The bright, T-shirt-clad *Nashi ("Ours")* youth group in Russia that mimics independent civic action groups is perhaps the most recognizable example of such organizations. Nevertheless, this type of government-organized organization represents only a small fraction of the emerging set of organizations that exhibit GONGO-type attributes, the majority of which have lower profiles and more complex sets of relations with state authorities.

Particularly in most of the former communist countries of Eurasia, where civil society is still struggling to gain operating space, credibility and sustainability, the rise of the GONGO has had significant effects. Such organizations appear to represent both an attempt to "develop" civil society and to "manage" it; their impact is likely to be harmful to genuine civil society development and hopes of further democratization.

In the more democratic countries of Central and Southeast Europe, the impact of GONGOs is more subtle and is balanced by a wide field of diverse civil society organizations. The policy and service delivery arenas are generally sufficiently strong to allow NGOs to hold their own against GONGOs. Even with diverse civil societies, however, financial sustainability remains a significant challenge for NGOs in many countries of Central and Southeast Europe, and GONGOs might possibly reduce the funds available for NGOs. Perhaps even more critical is that many government funding mechanisms do not yet have all of the accompanying governance structures in place or perform in a way that guarantees a transparent disbursement process; as a result, public confidence in a fair and transparent decision-making process has suffered and fostered the perception – at least – of government favoritism towards government-friendly or government-sponsored institutions.

Efforts to better understand the role of the GONGO and its different manifestations will be necessary for international and domestic actors alike as they attempt to develop further their civil societies as part of greater efforts towards democratization. A few of these trends are examined below.

CONTEXT

The Growing Importance of Civil Society

The growth of GONGOs reflects the increasing importance of civil society, both in how it is able to shape debate and advocate and how governments understand its role in promoting a democratic image. For over a decade and a half, civil society organizations with various degrees of success have engaged, badgered, and worked with their governments in efforts to take on the many political, economic, and social challenges of transition. Some of these efforts have produced genuine partnerships, or at least the respect of the public and government officials. In European Union member and aspiring member countries, a vibrant civil society is now seen as a vital component for proving democratic credentials. Similarly, despite their growing authoritarian tendencies, many Eurasia governments had given at least official sanction to the growth of the third sector.

However, with the so-called Rose and Orange revolutions in the former Soviet states of Georgia and Ukraine, the political stakes for neighboring governing elites appeared to change. While NGOs are recognized as a necessary component for gaining or maintaining Western legitimacy, many of the Eurasia governments have come to see civil society organizations as a growing threat. Consequently, many Eurasia governments pay civil society lip service; some even put in place funding and networking mechanisms. However, in reality, these civil society structures have been designed with an eye towards control rather than collegiality; more and more, GONGOs have emerged as a key component of these managed civil society strategies.

Facets of a GONGO (or What is a GONGO?)

The term GONGO itself is a simplification for a range of approaches by governments. A quick look at the countries of the region shows that government influence on civil society is represented through a number of types of engagement. From overt manufacturing of pseudo civil society groups to merely obstructing the function of others to soft financing of government-friendly groups through national foundations or service provision, the field of options is diverse and growing.

GONGOs are not necessarily negative. For example, many of the academic and community-based organizations that were previously associated with state institutions of the former Soviet system or of the countries in Central and Southeast Europe have remained partially affiliated with their governments. These groups have arguably helped to ease the transition shocks and have provided needed skills to government officials and society. This legacy has created a number of organizations in many of the countries which straddle the civil society-government divide either as GONGOs or government-affiliated institutions.

While organizations that receive all of their funding from the state are often considered to be GONGOs, receiving some level of government funding is not necessarily indicative of GONGO status. As part of larger-scale efforts at democratic reforms, many of the states of Central and Southeast Europe have developed domestic mechanisms for civil society financing through national foundations, individual tax provisions and even lottery systems, making government funding of the sector an important part of an organization's diversified funding strategy. Such systems are being put in place in a number of Eurasia countries as well, but with less clear intentions and results.

Who is a GONGO?

Determining the number of GONGOs in a country can be challenging and is often sensitive, particularly when the overall number of NGOs may not be known. In most countries of the former communist world, data on NGO growth is treated with some level of skepticism. The number of registered NGOs is often not representative of actual NGO activity in the country since many are either one-person shows or are inactive.

Classification of what constitutes an NGO also varies between countries. Domestic legislation in many countries still blurs the distinction between NGO and other public institutions, foundations, or government-affiliated organizations. Even in some of the EU countries of Central Europe, legal confusion over what is a non-profit organization (as in the Czech Republic) or the differences between an NGO, quasi-NGO and publicly funded institutions (as in Lithuania) prevents a completely clear picture of the sector's diversity or a more accurate assessment of who is a GONGO within the sector.

In countries where the legislation and traditions are less set, the environment for NGOs has fewer safeguards and is dependent upon government intent. As governments have become more sophisticated in their mimicking of non-governmental organizations, discerning the difference between government organized, government supported, or merely government tolerated and recognized has become more difficult.

Some clues to the actual composition and breadth of the civil society sectors in these countries can be found in assessing the overall health of the sector. Countries with more restrictive legal environments for NGOs and places where financing diversity is minimal also tend to have the most blurred boundaries between government and civic sectors and the most interest in managing these relationships. Management of real NGOs is usually accomplished through complicated administrative and/or punitive procedures that both restrict NGO activities and block or make funding opportunities more difficult. NGOs that have received international funds have become particularly susceptible to onerous tax inspections or even outright government suspicion of their activities.

At the same time, governments have taken on a new set of activities themselves to develop GONGOs. Support for government-organized networks of NGOs, organizations created and funded by specific ministries, and government-friendly corporations making corporate contributions have all served to make the number of GONGOs in such countries a substantial portion of overall civil society organizations. Some estimates put GONGOs in Uzbekistan, for example, at roughly 20 percent of the total number of active organizations (105 of 505 organizations surveyed by the Eurasia Foundation).

Putting together a rough typology of basic types of GONGO organizations and their attributes is one step towards capturing the complexity of the GONGO issue. The set of categories below should be not seen as exhaustive, rather illustrative of the main types of GONGOs present in the greater region.

KEY TYPES OF GONGOS

Frontline GONGOs: Youth Groups for Neutralizing 'Colored Revolutions'

The clearest example of GONGOs corresponds to organizations specifically created to carry out government policies or to lessen civil society momentum in obtaining specific objectives. The rise of well-financed youth groups like *Nashi* in Russia represents one face of GONGOs today. With pre-election jitters in 2007, Russia has led the way in condemning election-related education or youth groups, seeing such groups as direct transplantations of similar initiatives from Ukraine and Georgia. *Nashi*-organized actions quelled the ability of opposition candidates and/or alternative civil society organizations to get their message out publicly numerous times. Similar organizations such as the Belarusian Republican Youth Union or *Belaya Rus (*White Russia) in Belarus, which have been active for a few years, attempted to mimic and counter civic initiatives leading up to and following the 2006 elections. Such organizations target and organize youth to support current state policies and sometimes to serve explicitly as a "rent a crowd" to obstruct other organizations' abilities to engage in public demonstrations. In Central Asia, leaders have used tactics such as creating frontline GONGOs or simply restricting youth organizations as they have approached elections in the past years to safeguard themselves from a fear of mass public protest.

The sleek marketing, logos and hype around such organizations, however, are not the only tools of the trade. Combined with unlimited government access to media, these tools create a momentum that is difficult to counteract by organizations that have neither such resources nor access to public space.

Gaining access to public space, for example, in Belarus, has become increasingly difficult as the Lukashenka government has augmented its list of suspect NGO-related activities while also expanding its own set of student and youth organizations. The court ordered the closure of 26 NGOs during 2007 in Belarus; those closures, combined with the further estimated dissolution of 46 NGOs, are telling of the overall climate for organizations that are considered to be in opposition to the government. Creative methods of raising public awareness via new technology such as mobile phone text messaging or internet sites and blogs have kept a number of these independent organizations going, but their government counterparts have also begun utilizing new technology, blurring the distinctions and messages of the genuine civil society groups.

As elections have come and gone in both Russia and Belarus, the need for rival organizations appears to have diminished; however, government efforts to harness youth energy into other forums have not dissipated. The appointment of the founder of *Nashi* as the head of the government's youth committee, for example, suggests that the youth factor will continue to be a strategic area of government management of the civil society sector.

GONGOS AS INSURANCE AGAINST A COLOR REVOLUTION

Lack of sovereignty has not stopped separatist regions of Eurasia from mimicking other Eurasia governments' strategies for the management of civil society.

For example, in Transnistria, the government set up the youth organization Proryv (Breakthrough) several years ago to hedge its bets against falling victim to its own colored revolution. Not only did Proryv receive government support through, amongst other things, the organizing of a summer political leadership school, but it benefitted from the cross-border transfers of experience of Nashi trainers and strategies in Russia.

Human Rights GONGOs

Civic activism and reporting in the area of human rights concerns have continued to be seen as a political 'hot potato' in many Eurasia countries. The closure of many human rights-related domestic and international NGOs in such countries as Uzbekistan and Azerbaijan has become a common practice in the past few years. Accordingly, the establishment of groups that focus on human rights issues, but in a way that soft peddles criticism of the government, continues to be a government management strategy.

In Azerbaijan, for example, a number of human rights organizations are well known for their cooperation with the government and also their efforts to diffuse harsh criticism of the government's human rights record. Similarly, a select few government-sanctioned human rights groups in Uzbekistan serve as counterparts acceptable to the government as opposed to organizations critical of past and current government actions. The bulk of genuine human rights organizations are not registered and increasingly find government officials ignoring or constricting their efforts at human rights work. In such environments, engagement of human rights organizations with their governments is often not possible, and if cooperation occurs, suspicion of collusion further blurs the line between government-friendly or organized and independent human rights organizations.

Issue-Specific GONGOs

GONGOs have not only been formed to deal with apparent politically-motivated organizations. As the societies and governments of Russia and many Central Asian states have become increasingly less democratic, political sensitivities have expanded, depending on the domestic context. For example, in Russia, previously "apolitical" work on issues such as HIV/AIDS or immigration have more recently drawn unwanted government attention, particularly if partially foreign funded. As a result, legitimate groups involved in these areas are finding their arena of maneuvering and funding restricted even while newly created government-backed organizations emerge to take on the tasks and receive the government funding. Generally speaking, migration and similarly-focused NGOs throughout Eurasia are feeling this crackdown.

Organizations focused on socio-economic and cultural issues are also feeling more pressure. In Uzbekistan, as the country continues its downward spiral in basic human development, organizations that raise issues related to gender or social and educational issues and that are primary recipients of foreign funds have increasingly found themselves grouped with the human rights groups and often at the same time replaced by substitutes acceptable to the government; estimates from a survey undertaken by the Eurasia Foundation suggests that over half of such organizations were closed in 2007.

Civil society organizations dealing with issues of religion, particularly political Islam, are also increasingly finding their activities hampered. Even if the organization is primarily focusing on

humanitarian or socio-economic issues, government tolerance for such religiously-based organizations in places like Azerbaijan, Uzbekistan, Russia and even Kazakhstan and Kyrgyzstan has lessened. While some of the organizations likely have received foreign funding and guidance targeted towards political rather than civil society goals, government heavy-handedness has labeled most such groups as potential internal enemies. As with other sensitive issues, these governments have either supported or created acceptable substitutes, effectively diluting or forcing underground such organizations.

Policy Institute GONGOs

Management of the issues extends beyond the civic activism or hands-on projects common to most NGOs. As think tank and policy institute roles in the democratic development of a country have received more attention, a number of Eurasia country governments have increasingly sought to extend or tighten oversight of such expert groups. Most of these groups have already been partly connected to government or academic bodies, but have enjoyed some level of independence; however, increasing government crackdowns on legitimate policy groups and further self-editing by the others has reduced the number of such institutes significantly across Central Asia. When Freedom House Europe compiled the 2006 think tank directory of policy-related institutes functioning in the Eurasia region, for example, no institutes from Uzbekistan responded except the governmental Center for Economic Research.

The situation in Central and Southeast Europe is much less dramatic. However, policy institutes still face a balancing act of engaging with the government, but not being part of the government. Most often the think tanks and policy groups have some affiliation with a political party, if not formally aligned. Very few in the policy community in Hungary, for example, can claim to be politically unaligned. Those in power tend to fund particularly those institutes close to the party and take policy advice primarily from such institutes' experts. Admittedly, this type of think tank or policy institute development is similar to those in many of the consolidated democracies of Western Europe, but in countries where experts are scarce and massive legislation related to EU requirements needs to be passed quickly, such politicization can be extremely harmful to the reform process. The exception to this trend is Bulgaria. In a country that has managed to develop a significant number of high quality institutions, most mainstream think tanks, such as the Center for the Study of Democracy, the Centre for Liberal Strategies, and the Institute for Market Economies, have managed to retain their independence while serving as key sources of policy expertise to their governments. Funding of such organizations is often diverse, but generally includes both government as well as EU funds partly funneled through government institutions. Governments have come and gone in Bulgaria, but most such institutions have managed to maintain their close, yet separate identities.

Service Delivery GONGOs

The use of NGOs for service delivery is seen as a critical component of softening the socio-economic transition for populations of cash-strapped governments. NGOs have increasingly taken on primarily humanitarian related tasks that governments either do not have the capacity to perform or have made a decision to outsource due to the cost-efficiency of NGOs.

The selection of preferred service providers to carry out these tasks is, in itself, not problematic and can, in fact, greatly enhance NGO sustainability. For example, the social partnership between a provider such as Mission Armenia and the Armenian government has resulted in a line item in the state budget for the organization. However, a trend of selecting newly government-supported or created service providers over established civil society organizations often results in a reduction in quality for price and/or re-inventing government type bureaucracies while depriving legitimate groups of both the ability to serve and obtain financial support for their work. Illustrative of this trend is the case of Azerbaijan where most government contracts for service provision appear to go to GONGOs or commercial entities. Similarly, in

Kazakhstan the government creations of quasi-NGOs or GONGOs receive the bulk of service provision contracts from the steadily growing pot of state funds for civil society.

The temptation for creation of such organizations is particularly strong when substantial international funds are primarily channeled through government organizations. Critically, more and more international funds in both the Europe and Eurasia regions are coming through EU and EU country funding mechanisms, which generally target government rather than non-governmental institutions. Increasing concerns over some governments' intentions has led to the shifting of some of these funds directly back to civil society in places like Belarus. However, for countries that have displayed less overt hostility to civil society, this trend appears to be continuing. As a consequence, creation of such organizations can be a booming business. In Tajikistan, for example, the Judicial Consortium estimates that almost 1,000 NGOs have been created by the government or have informal access to the government to take advantage of the international funds meant for civil society.

Even if NGOs are able to take part in the process, unclear accreditation and licensing procedures, as well as decision-making criteria, often blur the transparency of the system and lead to concerns about overall fairness of the system. It is unclear, for example, how NGOs in Ukraine managed to receive over $2 million in public procurements in 2007. Ukraine's current public procurement laws generally make it difficult for NGOs to access such funds; consequently, the fact that NGOs managed to win these contracts could be illustrative of their competitiveness. Nevertheless, the lack of a specific service provision allocation to the NGO sector and unclear standards or criteria for subsequent NGO selection do little to improve confidence in the transparency of either the government or the sector in this spending of public money.

Part of the challenge in countries like Ukraine or those in Southeast Europe is to put in place adequate mechanisms to transparently carry out public procurement processes or granting service provision in partnership with selected NGOs. Most countries of Southeast Europe have in place freedom of information legislation which helps to encourage good governance in such service contracts. But even in Croatia, where the legislation is arguably amongst the most advanced in former Yugoslavia, government familiarity with citizens' rights in relation to receiving public information on public procurement processes or service contracts is still not consistent, suggesting that more needs to be done to improve the oversight of service provision decision-making. EU countries of Central Europe also have quite developed systems for working with NGOs as service delivery providers, but regardless, most still cite transparency concerns as an obstacle to greater cooperation and further financial diversification for their NGOs.

FOSTERING A GONGO ENVIRONMENT

Administrative and Legal Obstacles to NGO Independence

Creating and implementing a civil society-friendly legal and administrative environment has been a mark of democratic development for many countries of the former communist world. Conversely, establishing some level of civil society legal framework that is vague and has very few safeguards against government encroachment has been a growing indicator of countries becoming less democratic and less conducive to the growth of independent in civil society.

The re-registering of NGOs process, for example, is a popular game of civil society management in many of the Eurasia countries where GONGOs tend to benefit. The processes are often long, costly, and confusing. As a consequence, for one reason or another, organizations find themselves in a legal limbo, many choosing to close up shop rather than risk official closure or further sanction.

Arguably, the re-registration process can serve to weed out the real NGOs from inactive one-man shows or business fronts, yet such administration actions taken in places like Tajikistan or Uzbekistan serve more to frighten the population away from civil society organizational opportunities rather than to allow the real civil society organizations to continue their activities. Over 70 percent of previously registered organizations in southern Tajikistan, for example, did not manage to re-register their organizations during the 2007 process. However, if the number of NGOs dips too low, the Tajik government apparently has measures to stimulate the creation of primarily (pro) government NGOs in order to satisfy international requirements.

Generally speaking, basic civil society legal frameworks or their shells are in place, with greater or lesser problems, throughout the Central and Southeast Europe and the Eurasia region, but specific gaps in the laws, newly added laws, or their interpretation have resulted in new opportunities for government management of the sector. Notably, specific laws for financial or oversight and control of the sector appear to be on the rise again. Whether it is an issue of VAT or other taxes or the ability to do income generating, legal confusion – intended or not – is resulting in more power shifting back to government structures. The situation in Slovakia is illustrative of the fragility of a framework that was previously considered quite strong. Civil society served as a key factor in achieving a democratic change in government in 1998. Since then, civil society has played a leading role in assisting the government to take on its many reform challenges and make EU Accession in 2004. However, with a new government that came to power in 2006 that is less interested in or trusting of the NGO community, laws like the *Law on the Financing of Terrorism* could be applied in a way that exercises restrictive financial control over NGOs if the government so chooses.

ARE NGOS HITTING THE JACKPOT?

One trend in increasing government financing of NGOs focuses on persuading governments to give a portion of state lottery funds to civil society. In Montenegro, these efforts may soon bear fruit, with NGOs able to obtain up to 60 percent of lottery funds. The recent tightening of legislation to disqualify business entities from holding tax exempt NGO status and the amendment to the lottery law that specifically defines NGOs (and not public institutions) as the benefactors should improve the odds that legitimate NGOs will receive lottery proceeds. Nevertheless, in spite of these legal refinements, few institutional mechanisms point to a transparent disbursement process that will target true NGOs.

Despite attempts at legislation to improve transparency, local and national level government offices continue to be criticized for primarily funding "favorite," or government friendly, organizations with little if any established criteria. A much anticipated Parliament Grants Commission that would standardize the NGO funding process has been on hold for two years even while tax administration harassment of NGOs that pursue sensitive cases against the government or officials continues. Montenegro, as the second newest country in Europe, still has some way to go before its NGOs feel the financial benefits of its European Union reforms.

FUNDING

National Foundations and one and two percent tax assignation laws

Strategic planning and financial sustainability are two key challenges for most civil organizations in the CEE Eurasia region. Government funding of NGOs is seen as a key component of NGO financial sustainability, particularly as many international donors have left the countries of the region. Accordingly, the shift to more European based and domestic sources of funding has focused much attention on the establishment of national foundations and one or two percent tax assignation laws which allow direct funding of civil society organizations by the government and the population.

In the most democratically developed countries, the basic structures for this type of funding have been in place for several years, and generally speaking, the impact has been positive. Organizations gain access to

a greater variety of funds while often also raising their domestic profile. Optimism over such funding mechanisms should be tempered, however, by acknowledgment of the challenges that remain.

Decision-making transparency is one of the most cited concerns. Legislation governing the National Civil Fund in Hungary, for example, is being modified to improve its performance and to lessen the conflict of interest potential. A similar process to improve procedures for managing government funds is underway in countries like Romania; however, according to NGOs locally surveyed, many still find government funding conducted in an unclear manner.

Towards the other end of the spectrum of countries with less consolidated democracies, the creation of national foundations should be greeted with more skepticism. The much hailed development of a national foundation in Azerbaijan and the lifting of government funding restrictions towards NGOs in Kazakhstan are positive developments. However, the accompanying environment for NGOs in both countries suggests that direct government funding of organizations – even for more apolitical areas of service provision – will be nontransparent at best and will likely be conducted with numerous strings attached. While neither has as restrictive an environment as that of Uzbekistan, the Uzbek government's use of its national fund stands as a warning. Not surprisingly, the National Fund for NGO Support in Uzbekistan has been criticized for its lack of transparency in fund disbursal. The fund is administered by the government-sponsored network of NGOs (NANNOUZ), and it is these NGOs which primarily receive the funds.

The state friendly role of corporate philanthropy

Beyond straight government funding through foundations or service provision, the network of government-related funding and interest is murkier, but the impacts appear to be similar. The complex nexus between government, state-friendly firms, or government firms and their support of NGOs on one level is an example of corporate social responsibility (CSR) or domestic corporate philanthropy, yet most donations (from Hungary to Russia) appear to be geared towards apolitical organizations that either are uncontroversial or have the government's blessing. In the case of Russia, organizations like *Nashi* that are politically active, but blessed by the Kremlin and Gazprom, also appear to be good CSR recipients.

The diversification of domestic funding is welcome, particularly if the legislative environment provides little tax incentive for such corporate giving. But in some countries, the ability of civic-minded organizations to capitalize on this additional source of funding remains questionable. Some progress towards a more broad-based set of funding areas has been made by Kazakhstan state-run and partially state-run companies, but it is unclear what level of decision-making independence the companies will actually take on if faced with funding requests from organizations perceived to be politically controversial. The situation is clearer in Uzbekistan: government pressure is exerted on Uzbek business to fund GONGOs in order to enhance their funding opportunities.

An area of further complexity is the role that international corporations might play in this mix. A number of high profile multilateral corporations have begun to be more involved in the domestic civil society of the countries where they are located. Most of their funding, like that of the domestic corporate community, tends to be geared towards non-controversial humanitarian and social issues, but whether these risk adverse strategies are due more to corporate policy or partly out of consideration for maintaining good relations with the host government is unclear.

Consequently, a number of NGOs in such countries as Ukraine or Albania have reacted with caution in accepting corporate funds that could be perceived as having strings attached or being part of a larger corporate public relations campaign. In other countries, the development of domestic foundations like the Balkan Community Funds Initiative (BCFI) in Serbia that can accept corporate funding and then re-grant is seen as one solution for avoiding conflicts of interest.

IMPACTS

The use of GONGOs to develop and manage civil society in a number of the Eurasia countries has a significant impact on each country's ability to further its democratic development. On a macro political level, overall governance suffers from a narrowing of both participation and expertise available to the governments; it also distorts the role that civil society can play in a country. Within the third sector, GONGOs can play a spoiler role in the ability of NGOs to cooperate and come together to form issue-based coalitions. And the overuse of GONGOs can lessen the amount of already tight financial resources that are available for service provision or direct funding.

Macro-political level

▶ *Constricting political space*

Frontline, activist GONGOs have been quite effective in assisting their governments to constrict political space. Pre-electoral and post-election management of the populations in Belarus and Russia has served to continue the governments' or their successors' mandates and literally took over public spaces in order to prevent alternative public protests or initiatives.

But beyond the specific issue or challenge of elections, GONGOs have had an effect on what types of advocacy can actually be taken on by the civil society and what can be considered an issue of public discourse. Islam used for political purposes, for example, is a sensitive issue for a number of Eurasia country governments; efforts by even moderate rule-respecting groups to integrate issues of Islam used for political purposes into public discussions are frequently stopped before they can be started. Often state-sanctioned and supported Islamic GONGOs are the only permitted representatives of these segments of society. However, their legitimacy is generally low and does little to diffuse potential tensions. Rather, the use of such GONGOs only serves to further isolate this segment of the population and increase the stakes to control rather than share public space.

▶ *Minimizing independent voices and expert policy makers*

Some level of participation in the policy process is at least officially sanctioned now in most of the countries of the region. But engagement is often kept to either civil society-related legislation or policies and other "soft" subjects that the government can afford to engage on. Clearly getting civil society legislation put in place is critical for the development of the sector, but civil society organizations also have many other types of expertise to offer transitioning governments. In more restrictive countries, it is also common that such civil society consultations are primarily with GONGOs. For example, in Azerbaijan, an official consultancy process has been set up for legislation on civil society, education and agricultural reform and even the anti-corruption strategy, but how prominent a role is actually played by independent organizations rather than GONGOs is unclear.

Even in more consolidated democracies, governments often have a tendency to bypass a civil society consultation process when dealing with high politics or particularly sensitive issues. Accordingly, that GONGOs are being used in this manner in many Eurasia countries is not surprising. Overall, this limits the opportunity of non-governmental experts to weigh in on a policy decision and of governments to benefit from either additional expert voices or, in some cases, the only expert voices.

▶ *Further lowering public's trust and awareness of civil society*

Civil society throughout Central and Southeast Europe and Eurasia struggles to increase public awareness of its work. Even in countries where civil society has grown into a vibrant and diverse part of society, the general population, if it recognizes the work of civil society organizations, is most familiar and comfortable with its humanitarian or basic service delivery work. In countries where civil society is

officially or through de facto acts seen as more of a fifth column than a third sector, the challenge of raising general awareness and gaining public trust in activities and organizations is even greater. Presumably the general trust of society in its government is also low, if not, publicly articulated. The creation of GONGOs only reinforces the general distrust in society and heightens the difficulty for credible NGOs attempting to distinguish themselves or their programs, further isolating such groups from potential societal awareness and support for their work.

The difference between NGOs taking political sides, as in the case of Kyrgyzstan, and NGOs serving as an extension of government policies should be noted. Clearly, independent civil society organizations can be political or even support government policies and still remain independent. But in many of the Eurasia countries where institutions remain weak, this distinction is lost, and once the NGO community becomes or is perceived to become politicized, it paradoxically gains heightened exposure while losing credibility. For example, the politicization of the sector in Georgia during the political turmoil in 2007 distorted the sector's image and lessened its credibility to tackle tasks in a neutral manner.

There appears to be some level of correlation between countries with public respect and awareness of NGOs and their work and the level of a country's permissive environment. In countries such as Estonia where there is a generally friendly legal environment and civil society awareness is quite high, the level of public approval also registers quite high. Further along the scale, Moldova has basic civil society structures in place despite some noticeable challenges; awareness of actual work is quite low, and the NGO community is perceived to be made up of 'grant consumers' and thus receives one of the lowest levels of public trust of Moldovan society. More dramatically, in tightly-controlled societies like Turkmenistan, NGOs and their activities have a very low profile and garner considerable government, if not also public, distrust. Unfortunately, gauging the true opinion of civil society is not possible.

Within civil society

▶ *Stunting development of coalition-related work and cooperation within civil society*

The broad-based issue campaigns around elections or anti-corruption efforts on which civil society groups engaged in the Czech Republic or Albania demonstrate the power of organizations when they come together to affect change. Creating this dynamic environment, though, even in the best of circumstances depends on trust and cooperation among civil society actors. Resource competition is one deterrent to trust, but perhaps even more divisive is the feeling of the "enemy within" that comes about in societies where the development of GONGOs has been perceived by civil society actors as a means for further control of their sector by a hostile government. In these situations, the ability of like-minded actors to coordinate and work towards a common objective is constantly undermined by fears of infiltration. The result is a divided and suspicious civil society that has further weakened itself, rather than found strength in numbers and solidarity of cause. Arguably, civil society in most of Central Asia, for example, battles with these concerns even when undertaking what are presumably apolitical public awareness campaigns or initiatives.

▶ *Choking out emerging service providers and methods of diversifying financial sustainability*

Service provision is a growing area of both NGO activities and means of financial support. When the legal environment is unclear about who can compete for such tenders, however, the NGOs, as well as publicly-funded institutions, find themselves competing for the same government and EU structural funds; the result is one where government-related organizations usually win out. Even if the law is clear about eligible organizations, in countries where the transparency of public procurement processes is not guaranteed, the awarding of contracts often comes to the same result. For example, the unclear laws surrounding service provision and public procurement in Lithuania typically favors government-related organizations over other civil society organizations.

The decentralization of governments has expanded the opportunities of NGOs to provide services on the regional and local government level. More organizations outside of the capitals are able to diversify their activities and funding through these opportunities, but the impact of GONGOs at this level is similar to the one on the national level. While engagement is more direct, the funding that local governments have available is often still controlled by the central government, and mechanisms to ensure transparency are even less common than at the central government level. This issue, combined with the fact that many of the organizations at the local government level are smaller and have fewer capacities, further inhibits their ability to equally compete for government funds.

CONCLUSIONS

GONGOs, like NGOs, have increasingly become strategic actors in many former communist countries in the past decade. As civil society is recognized as an important component of a democratic society, governments have worked to put in place the necessary environment for the development of civil society. The fine line between nurturing this development and managing or controlling is one that is hard to specifically identify. Some government-created or organized NGOs are easy to identify, and their impacts are also possible to chart; in particular, youth and frontline groups can be quite starkly contrasted with their more organic counterparts.

GONGO LEGACIES THAT OUTLIVE THEIR GOVERNMENTS: WHEN GOVERNMENTS CHANGE, BUT GONGOS DO NOT

The Croatian government's creation of the national umbrella organization Hvidra (Association of Croatian veterans and invalids of the Homeland War) in the early 1990s to assist war veterans was a key part of a strategy to keep this portion of the population loyal to the Tudjman HDZ government. The government gave Hvidra both basic infrastructure and a means to financially support itself through a number of concessions, including the management of city parking lots and towing businesses throughout the country.

When a pro-reform government came to power in 2000, Hvidra worked closely with the HDZ political opposition to stymie any critical examination of war time activities. Despite a change in political climate, Hvidra's objectives related to war crimes cooperation stayed the same when the reformed HDZ returned to power in 2004 and pledged to improve this cooperation. The GONGO created to assist the government in its management of the legacy of war activities effectively turned against its creator. Most visible of these actions has been continued opposition to the government's war crimes cooperation with The Hague.

The majority of GONGOs, however, are less clear in their objectives and allegiances. GONGO development in itself is not negative. GONGOs can and do play an important role in the larger interactions between civil society and governments in most countries of the world. The danger, however, is when GONGOs are designed to subsume the growth and development of a civil society and, in the process, create a space, society, and government which are less open, democratic, and civil.

Notably, all GONGOs do not necessarily stay loyal to the governments that create them; whether this change in loyalty results from a natural evolution of organizational development or an honest disagreement with government policies, GONGOs are not necessarily static and can stake out an independent stand. The example of the Croatian war veterans' GONGO (see text box) reminds us that gaining a clear understanding of GONGO impacts in a particular country also requires an understanding of the changing political environment in which they engage.

Clearly, the exploration of GONGOs is only in its early stages. As a start, specific systematic research is needed that will more reliably quantify the groups. In a few countries of the Central and Southeast Europe and Eurasia regions, researchers have managed to estimate the number of GONGOs thought to operate in their specific countries and to strategize with or around these groups accordingly, but in the majority of countries the facts are mostly conjecture. Only by piecing together data on funding and legal

environments, as well as country-specific issue areas, is it possible to begin to gain a better picture of each country's GONGO community and its impacts.

Beyond the identification of GONGOs, a closer look at their major sources of funding and their trends in government interaction would shed much needed light on the different manifestations of GONGOs and their impacts on the development and sustainability of civil society and democracy development in the region.

Better understanding of GONGO trends and transformations will be a necessary component for donors as they strategize ways to best assist further democratization throughout the Europe and Eurasia region to the point that civil society is truly developed rather than managed.