

## 11. SUSTAINABLE CIVIL SOCIETY OR SERVICE DELIVERY AGENCIES?

### *The Evolution of Non-governmental Organizations in Bosnia and Herzegovina*

---

*Ian Smillie and Kristie Evenson*

#### 11.1 Introduction

In 1996, Ian Smillie, a long-time NGO-watcher, visited Bosnia on behalf of CARE International, and subsequently wrote a paper entitled ‘Service Delivery or Civil Society? NGOs in Bosnia and Herzegovina.’ The paper was highly critical of what Smillie saw as short-sightedness among donor agencies and international NGOs, in creating and fostering a community of organizations with short life expectancies, even shorter attention spans, and agendas based largely on serving the needs of their foreign benefactors. While ‘building civil society’ was the donor watchword, short-term service delivery was mostly what they paid for. ‘Capacity building’ was undoubtedly a common feature among the donor community, but this too was limited, focusing mainly on training local NGOs in proposal and report writing – essentially how to conform better to the administrative needs of their benefactors. Translated into Bosnian, ‘Service Delivery or Civil Society’ was widely circulated among NGOs, and struck a resonant chord at the time.

In 2001, Kristie Evenson returned to the region to see what had changed. This chapter, the product of a collaboration between Smillie and Evenson, uses 1996 as a kind of benchmark, and looks at how the issues, the donors, and the nongovernmental community changed in the subsequent five years.<sup>1</sup>

#### 11.2. Background and Recent History of Bosnia and Herzegovina

The 1995 *Dayton Peace Agreement* was the first official step toward normalization in Bosnia and Herzegovina (BiH). With the creation of two ‘entities’ within BiH, the Republika Srpska (RS) and the Federation, political and administrative structures were established and strategies were developed to build a new, modern state. What quickly became apparent was that the new state existed more in the minds of international facilitators and donors than in those of the leaders of Bosnia’s political factions and state institutions. Polls in 1997 and 1998 resulted in the reelection of nationalist politicians who continued to engage in ethnic, rather than state-building politics.

Subsequent elections in 2000 signaled a turn to more moderate politics in some parts of the country. However, hardliners in all three representative ethnic groups continued to impede the functioning of the central government. Most dramatically, hard-line Bosnian

Croat leaders refused to recognize moderate Bosnian Croats as their representatives, and began to demand a third entity in Bosnia, threatening to nullify the Dayton Peace Agreement.

In 2001, this high-level political drama played against a backdrop in which the average citizen struggled with many of the same issues that had persisted since the end of hostilities. The return of refugees (known colloquially among aid agencies simply as ‘return’) had improved in many areas, and much housing had been rebuilt. But beyond these basic conditions, little had changed. The economic cloud over the future of Bosnia had not disappeared, nor had the threat of renewed fighting. Economic survival and the long-term tasks of rebuilding society were being discussed, but little real progress had been made. Major infrastructure projects had been completed, but the return of minorities was slow, infrastructure upkeep was poor (International Crisis Group 1999), general unemployment continued at more than 35% (US Government World Fact Book 2001)<sup>2</sup> and economic investment had brought few new jobs. In essence, the existence of a fully functioning democratic state was still more *de jure* than *de facto*.

### 11.3. The Third Sector in Perspective

It is widely agreed that democratization requires a transparent and accountable set of governing institutions in electoral practices, governance, and civil society. While multi-party elections contribute to better and more accountable government, democracy is more than elections. It is the interaction between all of these components, embracing as well, principles of legitimacy, accountability, participation, and the notion of competence.

- *Legitimacy*: a system of government that relies on the consent of the governed; where the means exist to change governments and policies; where government has respect for, and can enforce constitutional order and the rule of law; where the judiciary is independent of the political process;<sup>3</sup>
- *Accountability*: a government that is accountable to the citizenry for its policies and actions between elections, ensured through freedom of association, freedom of the press, and freedom to dissent;
- *Participation*: a government that permits and encourages citizens to take advantage of opportunities and rights. Pluralism and tolerance for diversity are encouraged, and the means exist to solve conflict peacefully; participation and accountability are developed through the encouragement of a robust and independent civil society, including non-governmental associations based upon public rather than private goals;
- *Competence*: a government with effective, honest, and transparent civilian institutions that have the ability to formulate and implement policy and to deliver essential services effectively.

Civil society thus plays a key role in the overall process of democratization. Or as Stubbs (2000: 1-4) suggests, civil society meshes the formal and everyday politics of life in a manner that provides a rich environment of linkages, and an arena for ideas. There are implications for civil society in each of these categories.

### **11.3.1 Linking civil society and democracy**

Concern about civil society and its connection to democracy grew among donors by leaps and bounds in the early 1990s, as many began working in a variety of countries experiencing 'democratic transitions'. Fuelled as much by changes in Eastern Europe as by experience in developing countries, the expression 'civil society' had by 1995 found its way into major policy papers of almost every donor agency, and had become a topic of concern among civil society organizations and non-governmental organizations (NGOs) in legitimizing their role.

'Simply stated,' wrote one donor agency, 'civil society is, together with the state and market, one of the three "spheres" that interface in the making of democratic societies. Civil society is the sphere in which social movements become organized. The organizations of civil society, which represent many diverse and sometimes contradictory social interests... include church-related groups, trade unions, co-operatives, service organizations, community groups and youth organizations, as well as academic institutions and others...' (UNDP1993).

So much time has been devoted to defining civil society, however, that sight of its importance is sometimes lost. Legitimacy, accountability, participation, and governmental competence are all given as reasons for encouraging it, but empirical evidence of the link between traditions of association on the one hand, and development on the other is generally weak. Of theory there is no lack, but evidence of correlation and causality tends to be patchy, contradictory, and sometimes seems like wishful thinking.<sup>4</sup>

In a twenty-year study of civic traditions in modern Italy, Putnam (1993) approached the topic more scientifically. In an effort to discover the reasons behind the great differences in government effectiveness, economic performance, and social development between regions in the north and the south of the country, he and his colleagues conducted several waves of investigation between 1970 and 1989. They surveyed regional councilors and community leaders, they conducted institutional case studies and mass surveys, they analyzed all regional legislation over a 14-year period, and they sifted ten centuries of regional history.

What they found was striking. The strong associational life in several northern regions was clearly and unambiguously responsible for good government, and was a factor in the development of a strong economy. Its historical and present-day absence in southern regions led to weak government and to societies based on paternalism, exploitation, corruption, and poverty.

The Putnam study bears out what Ignatieff says about civil society:

It is in the institutions of civil society...that the leadership of a democratic society is trained and recruited... It is civil society in tandem with the state that tames the market. Without a strong civil society, there cannot be a debate about what kind of market to have, what portion of its surplus should be put to the use of present and future generations... Without a free and robust civil society, market capitalism must inevitably turn into mafia capitalism... Without civil society, democracy remains an empty shell, (Ignatieff 1995).

### 11.3.2 Democratization in Bosnia and Herzegovina

Writing about the former Yugoslavia, Ignatieff is more specific. He asks why the state began to fall apart after the death of Tito. "Because states whose legitimacy depends on the personal charisma of individuals can only fall apart with their deaths. Because communist regimes everywhere have shown no capacity to sustain electoral or political legitimacy once they lose the capacity to intimidate their populations. What other principle of legitimacy is there in the post-communist world except for nationalism? What other language exists to mobilize people around a common project?" (*Ibid.*).

The nationalist dream, Ignatieff says, of uniting or reuniting people into a single entity provides the (former) communist elite with a diversion: 'It is a politics of fantasy, leading the population away from "real" issues... it is a fantasy at another level: reunifying Serbs, or Croats or Muslims for that matter, into a single national state can only be achieved by forcible population transfer, by ethnic cleansing.' In three short years, therefore, Yugoslavians were transported from inter-ethnic tolerance and accommodation to barbarism. The collapse of the state and the economy came first, and *then* came nationalist paranoia, fuelled by elite manipulation. 'Nationalism did not destroy Yugoslavia from the bottom up; it was the elites who destroyed Yugoslavia from the top down.'

Post-Dayton Bosnia and Herzegovina is, in essence, an ethnic microcosm of the old Yugoslavia. It is an attempt to rebuild the tolerance that disappeared so quickly in the early 1990s. Much of the emphasis, however, is still on economic recovery. Understandably, people still need jobs, and there are massive reconstruction requirements. As stated in a World Bank Discussion Paper published soon after Dayton, 'The Government of the Republic of Bosnia and Herzegovina has expressed its firm determination to rebuild the country as fast as it can. There is equal determination to achieve this goal, not through a system of command and control, but as far as possible through the initiative of private individuals, organized in a modern market economy. It is hoped that in this process of reconstruction and reform, the critical elements of a pluralistic, multi-ethnic society will be re-established and strengthened.'

Like many other donors and investors after the Dayton Accord, the World Bank placed a great deal of faith in the idea that a revived and prosperous market economy would lead to peace and security. Ignatieff is more than a little dismissive of this as the key to

change. ‘Speaking as a liberal,’ he writes, ‘I would say that it is time to jettison the traditional liberal fiction – enunciated since the days of Adam Smith – that global commerce will pacify the world, that everyone’s objective interest in prosperity gives everyone an interest in social peace. Yugoslavia demonstrates that when ethnic groups feel their identity, culture and survival at stake, they are willing to lay waste to what was one of Eastern Europe’s most prosperous economies.’

By 2000, the Bosnian economy had grown,<sup>5</sup> but as Ignatieff had suggested several years before, peace and security did not follow. This was partly due to the fact that much of the growth remained in the hands of ethnic elites who continue to work against a unified and pluralistic Bosnia. It was also partly due to the fact that the forces which tore Yugoslavia apart were also present throughout the society.

Civil society, for example, can be more than a force for good. Civil society can harbor or come to exhibit some of a country’s most exclusive tendencies. As Rieff writes about Bosnian Serbs, ‘Karadzic represented the aspirations of ordinary Serbs in that extraordinary time all too faithfully, and could rightly lay just as great a claim to being an exemplar of civil society as Vaclav Havel,’ (in Carothers 1999-2000: 19-21). And as Stubbs (2000) has pointed out in a study of Croatia, many of the most active organizations in the third sector were actually those that preached the most nationalist exclusion. Accordingly, the role played by civil society in the overall development of society should not be taken for granted as *a priori* positive. Rather it should be seen as a force that has positive *potential* for democratization and stability, if properly supported and developed.

Five years after Dayton, more observers are acknowledging the implications of civil society as they shift their focus from the economy and formal political structures to other ‘softer’ components of ‘democratization.’ Recent studies by the World Bank, the *EastWest Institute* (EWI) and the *European Stability Initiative* (ESI 2000: 1-5) have found that a key impediment to the realization of a more stable and democratic state in Bosnia and Herzegovina has been the ‘lack of effective and accountable state institutions.’ The strengthening of weak institutions is emphasized again and again as the key to reaching a consolidated democracy.<sup>6</sup> Snyder suggests that ‘getting the sequencing right’ means the establishment of a transparent and stable set of state institutions based on the overall good governance tenets of legitimacy, accountability, participation, and competence. A key to developing such good governance, accordingly, is the presence of a dynamic civil society.

### 11.3.3 Supporting the Third Sector

These concepts and conclusions are less than earth shattering. For example, most donors working in the component parts of the former Yugoslavia in recent years point to the absence of good governance as a main hindrance in achieving project goals. While major infrastructure projects such as roads and bridges have been completed, they are often not maintained.<sup>7</sup> One reason lies in the fact that accountability for normal road and bridge maintenance requires the functioning and coordination of several layers of bureaucracy,

and, perhaps even more importantly, transparency in funding and managerial competency. While the international donor community uses carrots and sticks to cajole local leaders, their patience is often less resolute than that of the politicians who impede the process.<sup>8</sup>

Where civil society is concerned, most donors have not connected their intellectual acceptance of its importance with their strategic planning or their budgets.<sup>9</sup> A look at donor realities in 1996 provides a useful benchmark against which to analyze the lack of donor 'return' on investment at the end of 2000.

#### **11.3.4 1996 Realities**

In 1996, many donors and international NGOs characterized their interest in supporting local NGOs as an investment in a strong, pluralist, and socially integrated civil society. And yet in Bosnia, donors essentially sought – and found in local NGOs – cheap service delivery. Channeling money through local organizations, they could implement discrete projects with set goals. They could get a lot done with a little money. But this worked against the creation of an environment for long-term civil society sustainability.

This service delivery relationship was characterized by the tendency to fund some NGOs far beyond their capacity for good management. Examples of organizations less than a year old charged with managing a project portfolio in excess of a million dollars were not uncommon. At the other extreme, donors often failed to make their payments on time, leading to inappropriate financial management and great hardship on the part of the organizations they were "supporting". Little funding – sometimes none – was allocated for administration and overheads, even though good management was high on the list of donor expectations. Disappointed with the results, donors would then pull the plug on the grounds of mismanagement or incompetence.

A common problem for Bosnian NGOs was the short-term nature of funding. It was not uncommon to wait six months for a decision on a three-month allotment. Short bursts of funding for psycho-social projects in the immediate post-Dayton period highlighted a donor tendency to jump from project to project without allowing for long-term effects to be realized. Many international NGOs, ready to 'move on', set up local NGOs to 'take over' their projects without providing much in the way of resources. 'Capacity building' focussed mainly on training programs, and training programs focussed mainly on proposal and report writing. When the subject of cold, hard *cash* arose in the context of long-term capacity building, most donors were nowhere to be found. These policies within the context of a weak NGO legal structure and a general local government antagonism towards NGOs created little possibility for real sector development.

One response to the problem in 1996, promoted by an unusual coalition made up of CARE, World Vision, Catholic Relief Services, the International Rescue Committee, and the Geneva-based international NGO umbrella organization ICVA was the creation of a multi-ethnic Foundation of Bosnian NGOs. Established in 1997 and tasked with

increasing the capacity and effectiveness of the non-profit sector in physical and social reconstruction for long-term development, the Foundation sought support from donors for an endowment that would provide it with core funding after the country was back on its feet. Its proposed programming included raising public awareness of civil society, contributing to the sector's financial sustainability through the development of a national fund, and, perhaps most importantly, assisting NGOs in their own professional development.

### **11.3.5 2000 Realities**

Many of the problems of 1996 persisted at the end of 2000. Donor-sponsored capacity-building still focused on operational rather than conceptual goals, and remained uncoordinated. Donors continued to manage their relationships with local NGOs in ways that encouraged very little real development, coordination, or ownership. With regard to the systemic problems of funding priorities, timelines, and long-term sustainability, the donor community remained unable or unwilling to change. The Bosnian NGO Foundation had failed to attract any funding for its endowment, and survived on the same project treadmill as its member organizations. In essence, while the worst aspects of buying cheap service delivery had declined, the lack of fundamental change in funding strategies meant that the trend continued and long-term capacity building could not take off. To better understand the enduring challenges, some background on the development of Bosnia's third sector is in order.

## **11.4 Civil Society in Bosnia and Herzegovina**

### **11.4.1 The NGO scene in 2001**

Non-governmental organizations continue to be a popular alternative forum of ideas, services, and community for people across Bosnia and Herzegovina. While the proliferation of NGOs has declined since the first burst of donor funds and the hasty exit strategies of the mid 1990s, the range of organizations – from simple sports clubs to refugee return groups – continues to change and develop.

In September 1996, the International Council of Voluntary Agencies (ICVA) estimated that there were 98 local NGOs working on reconstruction, infrastructure development, human rights, and women's issues. Most, if not all had been established since 1993. Many worked within a restricted geographic area, clustering around Sarajevo and Tuzla. Few, if any, had a cross-Entity identity, and there was very slow NGO growth in the Republika Srpska.

By the end of 2000, the number had grown by a factor of as much as five,<sup>10</sup> but the major distinctions remained the same. The majority was still clustered in urban areas, although there had been some progress in establishing organizations in rural and isolated locations. NGO growth had also been significant in the Republika Srpska, although numbers remained low, particularly in the Eastern portion of the Entity, where distrust of civil

society initiatives by the general population ran high and resources had been especially scarce for political and economic reasons.

Between 1996 and 2001, many service delivery organizations had formed spontaneously to deal with local problems and to take advantage of donor funding. Few had developed out of community spirit, however, and many operated without boards of directors or anything resembling the sort of ‘constituency’ that western NGOs take for granted. Apart, perhaps, from human rights NGOs, many of these organizations had developed little understanding of their place in ‘civil society’, their potential for advocacy and for work beyond simple service delivery. Like the international NGOs they emulated, many had been quick to fall into competition with each other, vying for donor attention and funding. In essence, these organizations were not so much indigenous NGOs as local organizations based on the aspirations of their financial benefactors.

#### **11.4.2 Localizing the International; Preserving the Indigenous**

Although the expression ‘NGO community’ is frequently used to describe the totality of civil society organizations in BiH, it still is far from being a *community* with coherence or any particular sense of solidarity and common purpose. Rather the NGO scene can be broken down into two major groups: what might be called the ‘local’ and the ‘indigenous’.

Local organizations may focus on political or ethnic advocacy issues, or they may be service providers. Many formed as conversions of projects started by international NGOs. Some have been formed to build the capacities of others – local and regional NGO resource centers, for example, and the Bosnian NGO Foundation.

Pre-conflict ‘indigenous organizations’ are often associations based on self-help or self-interest, created within the context of the erstwhile socialist system. Or they may be locally-based sports and entertainment associations. These operate in much the way they did during Yugoslavian times. Many village and rural areas have more of this pre-conflict, community-based type of organization than the other. And these are often the ones that respond best to the needs of the community, whether in terms of additional services, or in social and recreation activities. As the value of these pre-conflict associations is better understood by the donor community, such organizations are becoming more and more a focal point of donor-driven initiatives.

#### **11.4.3 Underlying Legal Structure and Challenges**

The unfavorable regulatory environment for NGOs had changed little since 1996. Despite strong international pressure, legal and structural reforms concerning civil society have been slow to evolve because of the country’s complex political and legal environment. While the international community has pushed for the adoption of new NGO laws based on international standards (CARE 1999: 2-3)<sup>11</sup> in both the Federation and the Republika Srpska, only the Federation had done so by the beginning of 2001. The 1991 *Citizens Association Law* was still operating in the Republika Srpska.



However, the current law still does not distinguish between a service provider, a political party, and other types of for-profit or non-profit associations. This makes NGOs taxable bodies, essentially applying the same heavy burden of business salary taxes also to NGOs. Payroll taxes and social security serve to increase basic salaries by 100 per cent or more, and the tax exemptions that are common in other countries are not always available for local organizations. Income generation and NGO micro-enterprise efforts are similarly susceptible to heavy rates of taxation. Such financial realities discourage NGOs from drawing attention to their work for fear of the financial authorities.<sup>12</sup>

The new law does seek to define NGOs as non-profit, thereby partially solving financial uncertainties. It also allows for freedom of movement and inter-entity registration, which may encourage the expansion of inter-entity NGOs beyond those promoted by donors. However, since the Republika Srpska had yet to pass the law at the beginning of 2001, inter-entity registration had been slow.

### **11.5 Capacity-Building as a Cottage Industry**

In recognition of the relative fragility of the NGO sector, capacity-building programs of one sort or another have been widely implemented since 1996 by various international donors, either through umbrella grants to humanitarian service delivery NGOs, or through international organizations like ICVA. Capacity building and inter-organizational coordination programs have increased, but few significant results had been achieved, either in coordination, or in anything more than superficial capacity building. Some of the most prominent initiatives are described below.

On the coordination front, ICVA's main purpose has been "to foster communication and cooperation among the NGOs and to facilitate a coherent NGO interface with the representation of common issues to SFOR, multinational institutions, the Governments, and the cantonal and municipal governments." ICVA continues to provide information and networking services to international and local NGOs, and through various initiatives, has worked on the promotion of appropriate NGO legislation within BiH and the establishment of an informal "NGO Council" aimed at coordinating the efforts of some international and local NGOs. This overall coordination function is important, but fails to fully engage those NGOs that are simpler locally based associations.

On the intergovernmental level, the Organization for Security and Cooperation in Europe (OSCE) started a program in 1997 that facilitates and hosts meetings, and provides training and logistical support with emphasis on legal and human rights training. While the program took time to engage with indigenous legal practitioners, it has become a useful link in the overall reform and revitalization of the legal system throughout Bosnia and Herzegovina.

The Reconstruction and Return Task Force agency (RRTF) was created in 1997 in order to coordinate 'return' initiatives among international and intergovernmental organizations and NATO's peacekeeping force, SFOR. The RRTF got off to a slow start since many

organizations did not understand the need for yet another coordinating body. In time, however, the mechanism became more streamlined, but it rarely incorporated indigenous NGOs into its network.

Finally, the creation of the Bosnian NGO Foundation in 1997 was an attempt to provide an indigenous umbrella organization for the NGO community and a sustainable basis of support for the third sector. The Foundation initially focused on capacity building among nine local NGOs while it developed its own organizational capacity. The results have been mixed, but generally the Foundation's impact has been limited because of its (unsuccessful) efforts to build an endowment.

Given these international and indigenous initiatives to strengthen Bosnian NGOs, it would seem only a matter of time before the sector would bloom. But most of the programs remained relentlessly fixed on micro-development challenges, too often equating 'capacity-building' with 'training' rather than institutional development.

Even in basic training, there was little coordination between those providing it, and as in 1996, needs identification tended to favor the interests and perceptions of donors, rather than those of NGOs. "What is an NGO, Strategic Planning, How to develop a mission statement, Project Design and Reporting" were common topics in the range of courses provided. While these are no doubt useful for some NGOs, many complain that they have been through the same thing many times, that much of it is very general and has little relevance to existing realities. For many, the problem is not 'how to write a report,' despite demanding donor complexities; the problem is how to ensure relevance and how to get *cash*.

## **11.6 Capacity Building Beyond the Third Sector**

Many hoped that when the new law was enacted, it would assist NGOs in building better relationships with their local governments, since many feel that local and cantonal officials do not understand their work. While the relationship between NGOs and government officials has improved from one of outright hostility to one of greater cooperation, misinformation still persists, and many non-governmental organizations are considered to be simply 'anti-government.' Most NGOs have done little to engage officials or to develop community legitimacy, and image problems continue to hinder the potential for complementarity between NGOs and resource-strapped government institutions. Given that many government departments and social service centers receive very little donor attention compared to NGOs, competition for funds remains a problem.<sup>13</sup>

Donors such as the UNHCR-funded Independent Bureau for Humanitarian Issues (IBHI) and the EU began focusing on capacity building initiatives between indigenous NGOs and their local governments several years ago with moderate success, however refinement of such programs is necessary for country-wide replication.<sup>14</sup> IBHI has been one of the key links in local government capacity building, assisting various institutions to become more accountable and efficient. Of particular note is their role in a UNHCR

‘Open Cities’ project which aimed to hold local municipal governments responsible for agreements dealing with the return of refugees and internally displaced people.

While IBHI has now incorporated other areas of institution building into its portfolio, their larger impact has remained small due to their scattered presence around BiH and the inherently slow nature of capacity building in local government institutions.<sup>15</sup> IBHI, like its counterpart, the Bosnian NGO Foundation, has yet to become fully operational. In essence, large-scale capacity building programs have yet to be thought through and implemented. Instead, a continuation of the traditional capacity building initiatives such as training in ‘proposal writing’ has been the norm.

### **11.7 Donor-Driven Rather Than Mission-Driven**

While the growth of an NGO community could be reflective of the larger political context at any given moment, the reality in Bosnia has related more to a combination of donor politics and local opportunism. Since the reckless days of 1996, many donors have learned that local NGOs must become more than cheap delivery mechanisms and that donor exit strategies must be realistic in both timing and in what they leave behind. However there are still too many organizations with good programming reputations fighting for their financial lives.

This is partly because donors continue to be ‘topic’ driven, ignoring the capacities and priorities of local organizations. Immediately after the Dayton Accord, the issues were emergency and psycho-social assistance, and understandably, many welfare-type organizations sprang up. Then came reconstruction, and many turned to house building and renovation. Micro credit was the next wave, and welfare organizations scrambled to understand interest rates. Since about 1998, the big donor money has been on ‘return’ and the result was predictable: a huge growth in refugee and return-based associations.

The growth of such groups could suggest a badly-needed and larger political space for citizen-based groups to argue their rights in front of governmental institutions, but it is not clear which came first – the financial backing for such groups, or the forming of associations to make this happen. As in other parts of the region, politics-by-donor is not a new concept. Funding for targeted minority return and ‘community revitalization’ in Croatia was an extension of efforts in which diplomacy and high politics had failed.<sup>16</sup> However, whether this contributes to an enlarged and beneficial public debate or to further entrenchment of retrograde positions is far from clear.

Donor funding for the ideals of ‘public space’ is not *a priori* a negative concept. Many in Bosnia would say that without donor money, their activities would be dominated by the ethnic-laden politics of the formalized political arena. For instance, Open Society Institute (OSI) funding of media initiatives and school curricula are critical elements in the long-term democratization process. Given the still shaky foundation for this public space, indigenous NGOs understandably feel a need for more than just financial support.

However it is clear that donor initiatives do not always appreciate the complexity of the local situation. In 2001, some prominent international NGOs<sup>17</sup> believed that many donors would fund anything involving ‘return’ programming, particularly for the Republika Srpska. These donors may have learned the need to allow NGOs to develop programming to fit their capacity and the context, however the bottom line is ‘return’, rather than what local NGOs may see as their own or their community’s priorities. While some donors may also have learned the price of giving large sums to weak NGOs, the drive for ‘return’ has once again resulted in fast disbursement, without long-term thought as to the consequences.

Donors want program evaluations, but they seldom incorporate the views of the stakeholders or local NGOs in the process. Reports, usually prepared by international consultants, rarely touch on the institutional issues described in this chapter, focusing usually on whether things were done right, rather than whether the right thing was done. Most evaluations remain confidential, reducing the opportunity for learning, and probably serving as silent indictments of ‘the locals’ for not having the capacity to do things the way they the donor had anticipated.

### **11.7.1 Peace Building in Cycles**

As noted above, donor interests change. For a time in Bosnia, it was economic revitalization and small credit schemes; before that, it was the reconstruction of houses and public infrastructure such as schools and clinics; and before that it was funding of psychosocial assistance. The linear progression may seem logical, however it avoids an understanding of the less than linear post-conflict situation and the consequent need for a less than linear ‘hot topic’ funding strategy.

Much has been written in recent years about how ‘the continuum’ from relief to reconstruction to development, popular in the 1980s, was wrong-headed. Based on the idea of reconstruction after a natural disaster, it ignored the reality of protracted emergencies and the possibility that even in the direst of situations, some developmental work is possible – parents can teach children in refugee camps; people can be trained in new life skills; public health workers can be trained, and so on. While most relief agencies and most development agencies have accepted this idea, the reality of compartmentalized donor funding is that relief money comes out of one cash machine and development money comes from another. Both are influenced by the flavor of the month, and the two forms have little interest in, or communication with each other. So funding in Bosnia did move on a continuum-like assembly line, and even though traumatized widows still needed psycho-social assistance, they were one day made to see that what they were going to get was either micro credit or nothing. The interesting lesson in Bosnia might be that while it is right and possible to do development work in an emergency situation, it may also be right to continue with welfare-type work even in a situation where the emergency appears to be over.<sup>18</sup>

## **11.8 Timelines and Overheads**

In addition to the problem of donor-driven objectives, Bosnian NGOs continue to live with short-term donor funding and a pervasive donor reluctance to pay for recurrent costs and overheads. These must be squeezed, sometimes surreptitiously, out of projects. And because of the faddish nature of funding, there is little time or ability for NGOs to develop their own priorities and programming. The Bosnian NGO Foundation conducted an interesting survey of NGOs in 1999 and came up with a number of almost touching findings. For example, over half the NGOs surveyed suggested that the ideal funding cycle would run for more than a year: where rebuilding can actually take generations.

A further 70 per cent of the 109 NGO respondents said that lack of donor understanding, especially on issues relating to core costs and administrative expenses, was the major organizational obstacle they faced. And given the fact that more than 80 per cent of their funding was being provided by international supporters, this was a formidable problem indeed.

Donors, including international NGOs that suffer from the same problems themselves, were – even at the beginning of 2001 – keeping their so-called ‘partners’ on such tight financial leashes that most had little choice but to stay on the project treadmill and hope for the best if they wanted to survive. Donors, of course, cannot be expected to prop up unsustainable organizations forever. Or even for a little while. Or so the argument goes. But how – in a country with no philanthropic tradition, a hostile legal climate, and great dollops of donor funding for what donors want – are independent, sustainable NGOs to develop? And if this is a problem for individual NGOs, how is the kind of civil society described in the opening pages of this chapter ever to develop?

The sad observation about Bosnia is that although much was accomplished between the time of the Dayton Accord and the turn of the century, a great deal more could have been done to build local capacities at all levels of society – not just improved capacities to write and report on proposals or to deliver services on behalf of donors, but improved capacities within civil society to determine what Bosnians see as *their* developmental priorities; improved capacities to work on those priorities, and maybe even improved capacities to raise the funds to pay for them in Bosnia..

## **11.9 Regional Challenges**

International donors do regard democratization as a major priority in Bosnia. The programming manifestation of the priority, however, is as varied as the multitude of agencies at work in the country. One aspect of democratization is its regional dimension, and a recognition that building civil society cannot be done in a Bosnian vacuum. This view is shared by NGOs throughout the region, and although regional programming resources are limited, there are interesting initiatives.

Refugee associations working with international NGOs on issues of ‘return’ have had to develop a regional perspective and regional strategies on group return and rights. Such initiatives have become more commonplace as practitioners realize the value of informal return networks. For example, ‘Go and See’ visits, such as those sponsored by the

American Refugee Committee (ARC) throughout Bosnia and Herzegovina, Croatia, and parts of the Federal Republic of Yugoslavia (FRY), connect individuals and their local refugee associations with their former place of residence. Interaction through these visits has increased the confidence of potential returnees who can physically visit their homes, and talk with people like themselves who have already returned, or are going through similar decision making processes. Such programs strengthen both individual and associational relationships, and are worthy of support and replication.

Regional linkages on other issues are also useful. For instance, legal professionals around BiH have attempted to understand each other better through specific local NGO initiatives such as the International LEX Center for Human Rights in Banja Luka. Such initiatives allow for the re-establishment of pre-conflict professional associations, and also support professionals in attempting to work in what remains a highly partisan environment. In the case of legal professionals, the ability to contact their colleagues on housing issues in other parts of the Federation and the Republika Srpska has allowed them to be more effective in handling housing cases. The ability to contact former colleagues in other republics of the former Yugoslavia has allowed legal professionals to share similar experiences and to rebuild bridges.<sup>19</sup>

While some regional funding has been offered for several years by OSI and Transition to Democracy (TOD), these programs focus primarily on professional and advocacy-based NGOs rather than those based in local communities. This allows for a sharing of ideas, but it may serve to reinforce the growing number of elite NGOs, which seem increasingly removed from average citizens and the issues that confront them on a daily basis.

A further problem is the continuing donor reliance on constant rounds of new expatriate advisors, brought in to give sermons on democratization when regional expertise and the local specialists who have emerged in recent years watch from the sidelines.

### **11.10 Conclusion: Greener Pastures?**

By 2001, democratization in Bosnia had dropped down the donor agenda because of increased attention to Kosovo and the Federal Republic of Yugoslavia (FRY), especially after the fall of Slobodan Milosevic. Building civil societies there had become a new focus of donor attention.<sup>20</sup> The result was what Bosnian NGOs had feared in the mid 1990s when they had asked in vain for endowments and other forms of long-term financial assistance: a gradual shifting of resources from Kosovo and to FRY, creating a financial vacuum and a sense of abandonment in Bosnia. While projects were still being funded in Bosnia, there were clear indications that a kind of donor fatigue had set in. In reviewing the limited results of five years of effort, donors seemed ready to move on to new opportunities - not to new ways of doing things, but to new pastures where the same mistakes were likely to be repeated.

Where Bosnia is concerned, however, all is not lost. Valuable lessons *have* been learned, and those donors and international NGOs that remain will operate in a field less cluttered with amateurish do-gooders and more populated with experienced Bosnian organizations

that are able to articulate a Bosnian way forward. This Bosnian ‘way forward’, given a chance, may well be compatible with the ideas of the ‘civil’ and democratic society that decorate international donor brochures and annual reports. But real change will not happen overnight, and if productive partnerships are to develop, serious operational and conceptual issues must be addressed in a way that does not repeat past pathologies. The main issues are:

#### **Conceptual Issues for Donors**

1. Donors need to understand that capacity building is more than ‘training’; building the capacity of a type of organization (women, child rights, micro credit) or even of the entire NGO community (laws, financial stability, support groups) is very complex and time-consuming. It cannot be treated as a sidebar; it cannot be done by people without experience. It cannot be done by a single donor working in isolation from others. Mistakes will reverberate for decades.
2. They need to reassess their donor-led agendas on advocacy, public space and ‘return’; dealing with local priorities and utilizing indigenous expertise has always been the first tactic in reaching bigger issues. Listen; make ‘participation’ mean something through real participatory evaluation programming.
3. There is a need to reward pro-activity and relevancy.
4. There is a need to encourage regional linkages and sustained regional programming.
5. There is a need for the IBHI concept to be expanded and strengthened.

#### **Operational Issues for Donors**

1. There is a need for expanded and more imaginative capacity building (such as strengthening the Bosnian NGO Foundation).
2. There is a need for adequate funding for real institutional development of the sector.
3. There is a need for more interaction and coordination between international and local organizations.
4. There is a need for realistic (i.e. longer) funding cycles that fit local needs and capacities.
5. There is a need for an understanding of how and why ‘overhead’ costs should be funded; ignoring this issue only makes the problem of sustainability worse.
6. There is a need for support in the development of long-term funding sources.

Regardless of what donors do, a viable and vibrant civil society will remain essential to genuine democratization in Bosnia and Herzegovina, and NGOs, as part of civil society, have the potential to contribute immensely to the process. Although building civil society has become a kind of shorthand for addressing the country’s absence of good governance, donor capacity building strategies remain confused. Ironically the characteristics of good governance sought by donors – legitimacy, accountability, participation, and competence are largely absent from Bosnian political and institutional life and appear to be in short supply among the very donors professing their virtues.

The advent of a viable civil society in Bosnia and Herzegovina remains a distant goal. The use of NGOs for cheap service delivery has diminished but has far from disappeared in the years following Dayton, and few lessons about what builds local capacities have been learned while many more have been forgotten. At both conceptual and operation levels, donor behavior continues to work against the achievements of stated goals. There is a lack of continuity in the day-to-day management of programs, people, and partners.

Attempts at capacity building have not been well thought out; patience and staying power have been weak. Resources, although plentiful, have shied away from difficult or unknown territory, such as the creation of endowments and other instruments of financial sustainability. After five years and billions of aid dollars, the state remains fragile and the concept of a civil society remains elusive. Bridges have been built, but institutions have not. The truth is that peacebuilding rarely conforms to international donor blueprints, timelines and exit strategies. Building real institutions and genuine democratization takes years, and it will take more years in Bosnia and Herzegovina. Civil society is a pillar of this democratization and it cannot flourish without continued, appropriate support. The opportunity is passing, but it is still there.



## BIBLIOGRAPHY

Anderson, Mary, 'Report/Thoughts on ICVA Sponsored Mission to Bosnia-Herzegovina', The Collaborative for Development Action Inc., Cambridge, Mass., March, 1996.

Anderson, Mary, *Do No Harm: How Aid Can Support Peace – or War*, Lynne Rienner, Boulder, 1999.

Bosnian NGO Foundation, "The Third Sector in Bosnia-Herzegovina," October 1999.

CARE, "Challenges in Civil Society Development in Bosnia & Herzegovina (BiH) Today," 2000.

Clark, Kathryn and Stubbs, Paul, "The Civil Society Initiatives Fund (CSIF) in Croatia," A Review for The Department for International Development (DFID), June 2000.

Duffield, Mark, 'Social Reconstruction in Croatia and Bosnia; An Exploratory Report for SIDA', Centre for Urban and Regional Studies, University of Birmingham, November 1996.

The EastWest Institute and the European Stability Initiative, "Stability, Institutions and European Integration", *Brussels Discussion Paper*, October 2000.

Fierlbeck, Katherine, *Globalizing Democracy: Power, Legitimacy and the Interpretation of Democratic Ideas*, Manchester University Press 1997.

Friedman, Thomas, L., "Bosnia, Sort Of," *The New York Times*, Editorial, 26 January 2001.

Ignatieff, Michael, 'Nationalism and the Narcissism of Minor Differences', *Queen's Quarterly*, Queen's University, Spring, 1995.

Independent Bureau for Humanitarian Issues (IBHI), "The Local NGO Sector within Bosnia-Herzegovina – Problems, Analysis and Recommendations," Sarajevo, October 1998.

International Centre for Not-for-Profit Law, 'Comments on Draft "Law on Humanitarian Activity and Humanitarian Organizations"' July 1996.

International Crisis Group, "Preventing Minority Return in Bosnia and Herzegovina: The Anatomy of Hate and Fear," 1999.

Jackson, Stephen, and Walker, Peter, "Depolarising the 'Broadened' and 'Back-to-basics' Relief Models," *Disasters*, 1999, 23(2): 93-114.

Maas, Peter, 'Bosnia's Ground Zero', from *Love Thy Neighbour*, excerpted in *Vanity Fair*, March, 1996.

Mansfield, Edward and Snyder, Jack, "Democratization and War," *Foreign Affairs*, vol., 74, no. 3, May/June 1995.

Republic of Government of Bosnia & Herzegovina, Federation of Bosnia and Herzegovina, Ministry of Social Policy, Displaced Persons and Refugees, 'Draft Law on Humanitarian Activities and Humanitarian Organizations', September 1996.

Rieff, David, *Slaughterhouse: Bosnia and the Failure of the West*, Touchstone, New York, 1996.

Shimkus, David, 'Development of the Non-Governmental Sector in Croatia', IRC, Zagreb, 1996.

Stubbs, Paul "Towards a Political Economy of 'Civil Society' in a Contemporary Croatia," chapter in *Croatia after Tudjman*, September/October 2000.

Stubbs, Paul, 'Social Reconstruction and Social Development in Croatia and Slovenia: The Role of the NGO Sector,' Research Report R6274, Overseas Development Authority, Zagreb, 1995.

Smillie, Ian, *The Alms Bazaar – Altruism Under Fire; Non-Profit Organizations and International development*, IT Publications, London, 1995.

Smillie, Ian, *Relief and Development, The Struggle for Synergy*, Humanitarianism & War Project, Thomas J. Watson Institute, Brown University, 1999.

Snyder, Jack, "Nationalism and the Crisis of the Post-Soviet State," *Survival*, vol. 20, no 1, Summer 1995.

UNDP and Independent Bureau for Humanitarian Issues (IBHI), "Bosnia and Herzegovina 2000 Youth, *Human Development Report*, United Nations, New York, 2000.

USAID, "Bosnia: When Customers Tell Us What We Don't Want to Hear," The Participation Forum No. 20, January 1997.

USAID, "The 1999 NGO Sustainability Index," Third Edition, January 2000.

USAID, "Lessons in Implementation: The NGO Story," October 1999.

US Government, *World Fact Book: Bosnia and Herzegovina*, <http://www.odci.gov/cia/publications/factbook/geos/bk.html>, 2001.

World Bank, 'Bosnia and Herzegovina: Priorities for Recovery and Growth', Washington, September, 1996.

Miscellaneous reports and working papers prepared by CARE, the EU, ICVA, the OHR, the OSCE, SEE, UNHCR, USAID, World Bank and others.

---

<sup>1</sup> The 1996 study included interviews and discussions with 17 donor agencies and international NGOs in Zagreb, Bihac, Sarajevo and Tuzla. Discussions were also held with 13 local NGOs, with Bosnian Government officials and with several individuals with broad experience of the NGO sector. Follow-up discussions in early 2001 were held with key donor agencies and field practitioners. Additional observations were based on Evenson's fieldwork in the region between 1996-2000.

<sup>2</sup> Most recent data available is from 1999 estimates.

<sup>3</sup> This essentially liberal-democratic definition of legitimacy is not all there is to say on the subject. Historically, the legitimacy of the leader or the government was an outcome of several things. Values, tradition and ideology – such as belief in the divine right of kings – were one factor. This was reinforced or undermined by the quality of the leader's 'product' – patronage, peace, and a healthy economy. And a third was the threat of force, required in increasing proportions as the quality of values and product declined.

<sup>4</sup> A detailed account of the genealogy, usage, and contradictory interpretations of 'civil society', from Hegel, Locke and de Tocqueville, to recent World Bank documents, can be found in Fierlbeck (1997).

<sup>5</sup> Republika Srpska and Federation Statistical Offices, as reported by the OHR, showed a continuing increase in GDP between 1996 and 1999.

<sup>6</sup> The term consolidated democracy is described by political scientist Snyder as a country exhibiting key characteristics that ensure a range of institutions in place that allow the functioning of a modern state that is subject to its citizens (Snyder 1995).

<sup>7</sup> Thomas L. Friedman used a similar example in discussing the future of Bosnia and Herzegovina in a *New York Times* article from 26 January 2001.

<sup>8</sup> An example of carrot and stick politics could be found near Travnik in 1998, when a critical bridge on the Livno-Sarajevo road was slated for reconstruction. Donor funds had somehow been misplaced by the local government. SFOR finally decided that the strategic location of the bridge was more important than holding the government accountable for 'lost' funds and a compromise was worked out.

<sup>9</sup> After the Sarajevo and Cologne Summits of the Southeast European Stability Pact in 1999, western donors pledged an additional \$2.4 billion for the region. (Southeast Europe Stability Pact documents)

<sup>10</sup> ICVA estimates in 2001 that there were 365 local NGOs registered throughout the Federation and the Republika Srpska. This estimate corresponds with 1999 USAID figures suggesting between 250 and 500 local NGOs active in BiH. Since most funding goes only to registered associations, there is an incentive to be included in such lists.

<sup>11</sup> A new law has been drafted in accordance with Article 11 of the *European Convention for the Protection of Human Rights and Fundamental Freedoms* (OHR).

<sup>12</sup> Over 30% (30.27) of NGOS surveyed stated that inadequate legal regulations have had a negative impact on their work (Bosnian NGO Foundation 1999).

<sup>13</sup> Municipal institutions such as the pharmacy and cantonal hospital in Travnik felt that they could not compete for funds with local NGOs during the first year of an NGO grant scheme offered by UNDP in 1997-1998. Only after several visits by UNDP staff, did the representatives begin to see the complementary potential of the other associations.

<sup>14</sup> For example, IBHI Travnik (formerly with different names) served in such a capacity building role for the local municipal government Office of Housing and Return, and has worked with the Social/Welfare Center in Travnik and other cities in BiH.

<sup>15</sup> Evenson's field observations (1999), IBHI literature, and follow-up interview with former IBHI staff in Bosnia and Herzegovina, February 2001.

<sup>16</sup> Evenson's work during 1998-1999 with CRS and the PRM/UNHCR funding patterns in the former UN Sector South of Croatia highlighted this linkage.

<sup>17</sup> Representatives of CARE and IOCC responding to semi-structured interviews questions by Evenson (January 2001).

---

<sup>18</sup> For more on 'the continuum', see Anderson (1999) and Smillie (1999).

<sup>19</sup> One example of regional networking is the Dalmatian Committee for Solidarity (DOS) in Croatia, which worked on issues of 'return' throughout the region, interacting informally with other legal professionals to solve social and legal issues. DOS was particularly active from 1996 through late 1999.

<sup>20</sup> The EU and other Western donors made clear to the FRY that the fall of Milosevic would bring needed donor funds into the country. Within weeks of his downfall and subsequent arrest, strategic donor funds began to flow.