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THE CONTRIBUTION OF NGOs IN REDUCING POVERTY

CASE STUDY OF THE NORTH-WEST DEVELOPMENT REGION IN ROMANIA

1. Introduction

Reducing and eliminating human poverty has become the urgent task in the world in this new century. In the past a few years, with the economic reform and globalization, the condition of the poverty in Romania has been changed, the problems caused by urban poverty are raising.

After the transformations of 1989–1991, Romania was in very different situation and developed very different strategies of adaptation to the new economical, social, political and legal environment. Romania was affected by the disintegration of the communist economic system and the collapse of the Eastern market. These led to a dramatic fall in the life standards and the aggravation of social problems. Since 1989, Romania has undergone a difficult transition to new political institutions and a new economic framework. Economic restructuring has led to social exclusion, and certain regions of the country, such as mono-industrial centers and rural areas, have been hit even harder. The transition increased poverty and the risk for larger categories of people to become marginalized (Zamfir 2001).

To know what helps to reduce poverty, what works and what does not, what changes over time, poverty has to be defined, measured, and studied. As poverty has many dimensions, it has to be looked at through a variety of indicators: levels of income and consumption, social indicators, and indicators of vulnerability. It is important to find out what the poverty really is and then to take programs accordingly. In related studies, when researchers talk about how to eliminate poverty, they usually refer to the role of the Government (Arpinte 2006, Preotesi 2006). The Government's anti-poverty action is more in line with aid discourse than any local knowledge as well as reality of particular people. This limitation of government strategy of poverty reduction gives space to the NGOs to work for poverty reduction.

Throughout the difficult transition period, Romanian NGOs have provided vital social services with the help of international funding. Over the last decade, civil society organizations have built,

developed and maintained a wide range of social services for vulnerable groups. This has been possible with the support of foreign donors and EU programs. It is generally recognized that the social services provided by non-governmental agencies offer higher quality, standards and responsiveness to community needs than public ones. State funding, however, is directed almost exclusively to public social services.

Nowadays in the context of rapid urbanization an urban NGO sector is emerging, but the nature of NGOs relationships with communities, and the real impact of their work, are little understood. In my research, I approached the subject of eliminating urban poverty from the roles of the NGOs in North-West Development Region,¹ Romania. Here, NGOs refer to the social organizations (associations and foundations) that are formal, non-profitable and involved in pro-poor.² I will try to find out what roles do the NGOs play in helping the urban poverties to meet their needs, to combat their poverty.

In Romania there are researches about poverty as well as poverty reduction, how far poverty is reduced, what are the causes of poverty, the role of government to reduce poverty etc. No research yet

¹ North-West Development Region (counties: Bihor, Bistrița-Năsăud, Cluj, Maramureș, Satu-Mare, Sălaj) in Romania was created in 1998. As other development regions, it does not have any administrative power, its main function being to co-ordinate regional development projects and manage funds from the European Union.

² Although, nonprofit or non-governmental organizations come under many different names in Romania, including associations, foundations, leagues, clubs, movements, committees, councils or societies, most formally constituted organizations take one of the four main legal forms prescribed by the Law No. 21 of 1924: association, foundation, union or federation. In addition, there are other legal forms, such as cooperatives, trade unions and political parties, which constitute the broader section of the Romanian nonprofit sector. These latter types of organizations are not usually associated with the term non-governmental organization, which is the term most commonly used in Romania. The fact that the law does not define the term „non-governmental” is because it was not used at the time the legal act was created (Epure – Saulean 1998).

to find how the NGOs in Romania perceive the term poverty and what are the factors influencing the NGOs to select poverty reduction programs. It is important to find out what the poverty really is and then to take programs accordingly, so that poverty can be reduced successfully. These studies emerge the question of what right to do the leaders of these NGOs' have to decide what is the best for these people. The NGOs are active actors to combat poverty in Romania, that is why their ways of perceiving poverty and selecting poverty reduction programs is highly significant in contemporary poverty situation. Poverty should be targeted directly on its roots by overcoming the constraints that gives rise to it rather than treating the symptoms of poverty through welfare transfers. It means listening to the poor and learning from them. Emphasis should be on understanding the needs of the poor and the poverty processes that create those needs.

Furthermore I will analyze the partnership between NGOs and Local Administration, cooperation, communication with public institutions and between NGOs, the intensity of partnership between NGOs and local administration, available human resources, financial resources

Main Research Questions

- How do the NGOs conceive the term poverty?
- How do NGOs select their programs?
- What role can NGOs really play in combating poverty?
- Are NGOs able to provide information, networks, empowerment, financing, skills, and other ingredients to local people in a way that will help create sustainable solution to poverty?
- How can NGOs ensure that their work does not impose inappropriate solutions on poor communities?

2. Theoretical background

2.1 Who are Romania's Poor?

Romania embarked on a transition to a market economy after a decade of harsh economic conditions and social distress. Two measures of poverty

are currently used in Romania: relative and absolute poverty. The relative poverty measure is based on the methodology endorsed by the Laeken European Council in December 2001. This methodology was developed to allow monitoring in a comparable way member states' progress towards the agreed EU objectives in the fight against poverty and social exclusion. The absolute poverty measure is based on a national methodology, developed in 2002 by a team including NIS and Government experts, researchers, and World Bank staff, and it is one of the national indicators included in the Poverty and Social Inclusion Monitoring System in Romania. However, while there has been significant progress in absolute poverty reduction, benefits of renewed growth have failed to reach all segments of the population (World Bank 2007).³

Poverty in Romania can be analyzed from a wide range of perspectives: macroeconomic, socio-demographic, governmental – through means of

Table 1. Measures of absolute poverty in Romania between 2000-2006.

| Year | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|---------------------------|------|------|------|------|------|------|------|
| National Poverty Rate (%) | 35,9 | 30.6 | 28.9 | 25.1 | 18.8 | 15.1 | 13.8 |

Source: World Bank 2007:9.

social policy –, and individual characteristics (Dan 2005). From *macroeconomic perspective* the main causes of poverty are the economic recession, the shadow economy and the black labor force market. The most important factor that causes poverty is the economic recession. Conceptually, there are two situations that may trigger poverty. On the one hand an income shock of sufficient strength to push a household into poverty. Income shock may impoverish the households temporary. In the poverty literature, such households are called the *transient (or temporary) poor* (Teșliuc et al 2001). They would escape poverty even without outside

³ For policy making purposes, the two poverty measures discussed in this report complement each other. The poverty profile built using the relative poverty line provides useful information about the relative position of various groups against the national standard of living in a society at a given point in time. Absolute poverty, on the other hand, measures the number of people who cannot afford a minimum consumption basket. The poverty profiles constructed using each of the two methods do not contradict each other. The vulnerable groups identified by the absolute poverty measure are consistent with the ones identified by the relative method (World Bank 2007).

help. In this category are included the unemployed who, in period of economic recession, lose their jobs. When economy recovers and employment increase, such individuals would reenter the labor force and may escape poverty. On the other hand, other household would not be able to escape poverty even when economy recovers, because the assets they own do not generate sufficient income to lift them over the poverty threshold. Such households are called permanent poor. Typically, in this category are included the disabled, or poor elderly unable to work, families with large number of children (four or above) (Teşliuc et al 2001).

Romanian specialists appreciate that more than two thirds out of poor are living in temporary poverty (Teşliuc et al 2003). Unemployment rates have only gradually increased to 8 percent in 1994, and remain amongst the lowest in Eastern Europe. The decline in employment consists mainly of lay-offs or retirement of (mostly female) blue-collar workers in large state-owned enterprises which were producing textiles, metal products, and machinery. Over one-third of the layoffs, plant closings, and firings have occurred in the Northeast region, which now has one of the highest unemployment rates in the country. The small drop in employment coupled with a sharp decline in output has reduced labor productivity and contributed to a fall in real wages. Romania experienced one of the steepest declines in real wages in Eastern Europe. In 1993, real wages were only 66 percent of their 1989 level (Zamfir 2001).

From *socio-demographic perspective*, poverty has been caused by a great deal of factors, among which: household dimension and the number of children, the head of the family's sex, ethnicity, educational level or professional status (Dan 2005). The *household size and the number of kept children* have an important influence on poverty. Earlier studies do not find statistically significant difference in the risk of being poor for families of one, two or three persons, while larger families (five members and more) faced higher risk of poverty. Poverty is further associated with *mono-parenting*. Families with one parent face higher poverty risk than families with two parents (Teşliuc et al 2003). Another important factor is the *age*. To the question who ends up being poorer, the children, the elderly or the adults, the answer is: by age, the highest risk of poverty is found among children, especially during the adolescent period (15-24 years old). Regarding the *gender*, female and female-headed households in particular face

higher risk of poverty compared to males, due to the higher share of mono-parental households and old widows living on low survivorship pensions that are found in this category. Earlier analyses show that the gender dimension is an important one when speaking about the vulnerability (Teşliuc et al 2001; Zamfir 2001). The human capital of a household or the *educational level* is another important factor in the analysis of poverty. The majority of the Romanian's poor are members of households whose heads are primary school graduates, secondary school graduates or vocational school graduates (Dan 2005). Another characteristics associated with the household's human capital is the *occupation* of the household head and participation in the formal or informal economy. The largest groups of poor are employee- and pensioner-headed households. Within the group of employees, households with a larger number of dependants, with only one wage-earner, or with low wages are facing higher poverty risk (Teşliuc et al 2003).

Poverty in Romania was also influenced by *improper measure of social policy*, such as early retirement (before the entire length of service or before legal age) and compensation payments. In order to create more jobs and to reduce unemployment, the Romanian authorities resorted to *retirement*. The number of taxpayers diminished and the degree of dependence between the inactive population and the active one increased. If in 1990, there were three taxpayers who supported a pensioner, in 1999 the proportion was 1:1. The *compensation payments* given to the dismissed person (especially miners) were another improper social measure taken by the Romanian authorities. Although it was strongly recommended that the money should be invested in private business ventures that would generate new jobs, their owners did not have the proper education level, the money was quickly spent and poverty could not be alleviated (Dan 2005).

From the *individualistic perspective*, the most common causes of poverty are: alcohol and drug dependence, physical or mental handicaps and diseases, socializing deficiencies (orphans, abandoned children, elder people), the extent to which the poor exert themselves to enter the labor market and are not discouraged from this by state.

As we could see, transition period generated not only welfare, but poverty as well, mainly because: the market economy could not fully absorb the existed labor force, which led to a high rate of unemployment; the high-qualified and well-paid labors

were backed up by low-qualified and low-paid jobs, which generated poverty; the poor categories (unemployed, old, handicapped person, unqualified laborers, single-parented or big families) are more and more ignored because of their lack of economic and political resources; the social assistance offered to those in need often creates a culture of dependence and by this reduces the individual effort for coming out of poverty (Zamfir 2001).

2. 2. Civil Society in Romania – Historical Background

In Romania, civil society developed historically at a later stage and to a lesser degree than in other East Central or Western European countries. The emergence of civil society in Romania, as in other post-communist countries in Central and Eastern Europe, is the result of a relatively recent social process. The space, created by the post-communist institutional upheaval since 1989, between the market and the state is being filled by this emerging civil society. Until the mid-nineteenth century, there were no significant civil society activities in Romania. Civil society traditions developed at a relatively late stage in the history of the country (CIVICUS 2005; Epure et al 1998).

In the context of the dramatic changes that Romanian society has undergone to cope with the dynamics of the complex transition process, it has become increasingly clear that the expansion of social and civic movements in general, and the development of nongovernmental organizations specifically, have become important factors in the post communist evolution of society (Epure – Saulean 1998). The fall of the Ceausescu regime triggered a growth process in the number of non-governmental organizations (the most commonly used term for nonprofit organizations in Romania), which are considered an essential part of civil society in Romania

Communism destroyed all traces of civil society and replaced it with party-controlled nationwide associations of all kind, from women's groups to professional and sport organizations (Pippidi 2002:147). A civil society began to develop in the 1970s and 1980s. In this period, civil society did not have the militant character that was beginning to develop in other Eastern European countries and mainly consisted of outdoor clubs (for hiking and caving), and environmental protection and cultural associations. In some cases, these NGOs had a sig-

nificant number of voluntary members and were mainly funded by the state or through communist organizations (CIVICUS 2005).

However, during communism there was no such thing as an independent civic movement. In its recent history, since 1989, two different stages of development of Romanian civil society can be identified. At the beginning, in the early 1990s, civil society had to liberate itself from the legacy of the totalitarian regime and fight to create an autonomous space, outside the state. In the second half of the 1990s the political environment improved and civil society began to have a better profile and play more diverse roles in Romanian society. There is a widespread recognition that the NGO sector has expanded hugely worldwide. Although according to Alan – Allen (2000:213) this increase is not likely to be the result of a sudden expansion of interest in charity work, or of an outbreak of solidarity with the poor. Furthermore this increase may be largely connected with the decline of the state as an institution.

In Romania after 1989 a large number of non-profit organizations were settled in people's will to participate in social life and to influence social policies. They were addressed to different categories of beneficiaries, from those who couldn't satisfy their basic needs like food, clothes and shelter to those looking for professional fulfillment and self-actualization. In time, factors like foreign financial support, politics, economy, cultural and geographical particularities shaped the dimensions of the nonprofit sector. Even poverty alleviation is not declared as mission for many NGOs, the nonprofit organizations remain involved against poverty and for the observance of human rights. According to Pralong (2004:236) a new, distinctive, socioeconomic category is emerging in Romania: the NGO professional as a "private civil servant", whose livelihood is directly linked to the amount of international assistance destined to support local civil societies.

Many NGOs address poverty through market relationships, trying to improve local people's access to outside income. While recognizing that poverty is not just about money, they know that many resources, from education to housing, can be purchased in the cash economy (Eversole 2003). Thus, finding ways to increase poor people's access to cash is often a priority in antipoverty efforts. Other strategies for poverty reduction may not involve any income generating component whatever,

whether in cash or in kind. Rather, strategies may focus on building up a range of key nonmonetary resources. Thus, NGOs that work in areas such as the environment, education, literacy, health care and so forth may have an antipoverty focus as they seek to improve poor communities' access to resources, both in the short and long terms.

The changes that occurred in Romania in 1989 attracted the attention of international donors, which helped to develop Romanian civil society and the third sector. Grants from foreign donors continue to be the major source of funding for NGOs, which have failed to make strides toward achieving financial sustainability or promoting their programs and public images. Not all NGOs represent grassroots concerns or have been created from the bottom up: the majority actually was not. Yet their very attachment to the West (via both funding and programming) is an asset, for in this way NGOs create local awareness of issues that may otherwise have taken years to bring forth (Pralong 2004:237). Neither the government nor the private sector has so far been able to direct significant financial resources to this sector. As a result, much of the recent growth has been fueled by private and public international support. While this opens the question as to what degree international support accounts for the re-emergence of the sector in Romania, it also leaves the nonprofit field relatively dependent on foreign assistance (Epure – Saulean, 1998).

Limited access to financial resources and the weak economic capacity of voluntary association rational bodies, governments or private foundations, is still extremely high. By contrast, domestic revenue sources, including membership fees, corporate giving, governmental subsidies and contracts, or the establishment of community foundations are not yet feasible financing options for most organizations.

3. Research methodology

In this research I selected urban NGOs providing social services in the mentioned five counties, having significant poverty alleviation programs. I involved any NGO which are officially registered and had begun operating in 2004 or later because a minimum of at least five years duration is viewed as necessary for significant impact on poverty to have been attained.

Empirical data was collected by various methods: the first-hand data was collected from field survey: a questionnaire consisting of both structured and open-ended questions was developed and administered both by mail and face-to-face, to gather detailed information, followed by participant observation, field visits, structural interviews with NGO representatives and target group people.

A number of 130 NGOs were contacted by telephone and e-mail to ask for their cooperation regarding the study. The total number of NGOs that filled the questionnaire and returned it by e-mail or by post was 34. Seven representatives from seven NGOs from the chief cities of counties, and a total of 30 beneficiaries were interviewed in person.

Table 2. Distribution of NGOs contacted, and those who filled the questionnaire in, by county.

| County | No. NGOs contacted | No. respondent NGOs |
|------------------------|--------------------|---------------------|
| Bihor | 40 | 8 |
| Bistrița-Năsăud | 4 | 1 |
| Cluj | 47 | 14 |
| Maramureș | 20 | 6 |
| Satu-Mare | 10 | 3 |
| Sălaj | 9 | 2 |
| Total | 130 | 34 |

4. The contribution of NGOs in reducing poverty

4. 1. General features of NGOs surveyed

As response to the serious poverty problems, the Romanian civil society developed a strong social services sector. While this was recognized as an important contribution to the alleviation of poverty, very few organizations have initiated major projects against the roots of poverty. NGOs seem to be more effective than the state in meeting the needs of marginalized groups, because they are organizations essentially based on the free association in order to meet certain needs, which often are not offered by the state. They are also specialized organizations and they are better rooted within the

communities than state agencies usually are. So NGOs are considered to be in a better position to understand and respond to social needs than other social actors, such as state, private companies or foreign institutions.

In the six counties studied, a relatively small number of civil society activities can be detected in the area of poverty eradication. Even poverty alleviation is not declared as mission for many NGOs, the nonprofit organizations remain involved in poverty eradication. Based on the level of operation, the NGOs studied can be categorized into three types: purely foreign origin NGOs or international NGOs which programs and activities are influenced or guided by their respective countries' ideas and purpose (4 NGO in sample); national NGOs, which operate and have programs almost all over the country (1 NGO in sample); regional NGOs, which operate at regional level, or a part of the country (5 NGOs in sample) and local NGOs operating at local level (24 NGO in sample).

Human resources available to NGOs continue to remain limited. On average the NGOs operate with very small staff, just seven full-time and one part-time staff. Half of the NGOs employ less than 4 full-time staff, however in most cases the employed staff is a well-qualified and trained one. Difficulties in raising funds for salaries force NGOs to reduce permanent staff or to hire personnel on a project-by-project basis. Volunteers have become a very important resource for many NGOs, for some it is the only one available. Half of the NGOs operate with less than 10 volunteers. Many small organizations rely on the work of volunteers without having the necessary professional staff.

From the point of view of *financial support*, the actual context represents a difficult moment for NGOs. Almost all the NGOs, specially the small scale local NGOs have high range of resource shortfall. On average NGOs have inadequate financial resources to achieve their goals. The resource constrain is one of the important reasons why NGOs aim to secure the funds necessary to develop their activities from various sources without depending exclusively on one single source, whether it is public or private, foreign or local. The volume of foreign funding continues to decrease. There are cases of organizations which needed to cut their activities, as the foreign funding ended. Another significant aspect that influences organizations' financial viability is the limited domestic support for NGOs, as local fundraising efforts are not successful at gen-

erating significant income. The answers from 34 NGOs shows that for 8 (24%) of them financial resources represent a serious problem, for 6 (18%) is instable, the majority (17 NGO, 50%) described their financial resources as adequate, and only 3 are very satisfied with it.

The NGOs surveyed had an average income of 408 318 RON (\approx 11 3416 €) for 2008. The majority of this funding comes directly from international NGO donors. A factor limiting the performance of smaller NGOs was found to be the short-term cycle of funding which prevented them from taking a more long-term perspective. The majority of NGOs have multiple donors, main sources are: international, national, etc. donations, state support, EU grants.

In the studied counties only a very limited number of NGOs receive state support (see Appendix 1). Legal mechanisms for direct funding of NGO activities by the Romanian state are available only in several areas such as sports, assistance to the disabled, social assistance, and human rights. The provision of social services is the most common of all NGO activities in Romania and public funding for social services can be received by NGOs through Law 34/1998. The Government has clearly recognized the value of this mechanism to fund NGOs in the social field. NGO representatives consulted have stressed that access to public funding is complicated by the fact that the bureaucratic mechanisms applied to the beneficiaries of law 34, are even more difficult to than those imposed by the EU, which are generally considered as extremely strict.

Despite the high degree to which NGOs depend on foreign financing resources, provided either by international organizations, governments or private foundations, respondents consider that donors' policies play a less important role in determining the organizations' activities. The organizations are run by financial factors rather than personal or external ones. A worrying finding is that more than half of the NGOs surveyed admitted that they are just partially meeting their stated objectives.

The existence of *partnerships and networks* at the local, regional and international level can be detected. Almost every NGO studied has international linkages, is part of international networks. They are willing to form coalitions, I found successful form of cooperation in Oradea, where the STRONG Coalition founded in 2006 has 23 member.

Previous research identified a lack of shared information within the Romanian nongovernmental

sector due to the cultural aspects that are common to the whole of Romanian society, where suspicion, individualism and mistrust prevail, and the level of social capital is very low (Dakova et al 2000). However the level of communication, information-sharing and working relationship between NGOs studied seems to be relatively high mainly in local, regional and international level. Collaboration between NGOs commonly takes the form of common projects information sharing, membership networks, personal contacts. The joint implementation of projects was found to be relatively rare. This implies that co-operation between NGOs is low in intensity, but each city contains examples of innovative forms of NGO to NGO collaboration.

The majority of NGOs cooperate with each other occasionally on issue of common concern, but some of the NGOs cooperate with each other closely and constructively. The cooperation at the national level is limited, more than half of the NGOs have no cooperation with national organizations. Previous research shows, that the reason invoked for the poor cooperation is the competition for scarce resources and personal conflicts (Roditi-Rowlands 2000), which doesn't seem to be the case in my research. The dialog between NGOs and local administration seems to have improved. Half of the NGOs studied work occasionally with the municipal authorities in their city.

4. 2. NGOs actions to reduce poverty

It has been a vital question in literature that whether the NGOs are successful or not in poverty reduction (Taylor 2000, Belshaw – Coyle 2001; Dhakal 2002; Reuben 2002; Akhtar 2003; Saifuddin 2006; Sparr – Moser 2007; Suharko 2007; Werker – Ahmed 2007). The gap between real poverty and the strategy chosen by the NGOs is one of the important causes for NGOs' failure in poverty reduction. Based on preliminary studies I was predicated that an organization's definition of poverty influences the strategy or strategies employed to address it. This assumption itself carries with it two prior assumptions. First, that each organization working in field of poverty eradication has a clearly articulated, common definition of poverty. Secondly, that NGOs have one or more clearly articulated, common strategies for addressing poverty. Questionnaires and interviews revealed that not every NGO has a clear definition of poverty, but on average they have a clear strategy for ad-

ressing poverty. Poverty definitions are supposed to be applicable for the people and areas who are the target group people of the NGOs so that the poverty reduction programs can be realistic as well as pragmatic.

The NGOs' poverty perception was drawn from empirical data as well as information found during field visit. I found that there is not a much diversified perception of poverty among NGOs. The Romanian government has pointed what poverty is from the perspective of the country (see Chapter 2.1), but when NGOs are going to fight against poverty, they are to identify the causes of poverty of the people for whom they are going to work and thus define what poverty is.

More than half of the NGOs estimate the rate of poverty being 40% on local and regional level, and almost all of them argue that poverty is showing a growing tendency due to the growing unemployment rate, low incomes, low level of education and inappropriate governmental policies. According to them, those with low income and unemployed live in extreme poverty. So the NGOs perception of poverty do not varies largely, in spite of the fact that some of the NGOs do not have a well defined poverty definition.

The recognition that increasing people's options involves recognizing the diversity of needs and priorities within any low-income population, not only because of different incomes but also because of gender, age and ethnicity, helps to explain the different constraints and opportunities people face and therefore the differences in their priorities.⁴ Different priorities can be recognized using baseline studies. Only eight NGO use a baseline study to come to know the causes of poverty, to define poverty and the level of poverty in local and regional level. In rest the NGOs' poverty perception is influenced mainly by international NGOs, main donors, or they use the government's definition.

The poverty perception of the NGOs studied is influenced both by these external factors, however internal factors such as individual and group beliefs of the employed professional staff, or the opinions of beneficiaries have found to dictate poverty perception. Among the external forces international NGOs, donors as well as funding agencies and the NGOs' policy get influence most to define poverty. The internal forces are, in addition, the ideology of the NGOs, the vision which guides the NGOs

⁴ For example the low-income women's priorities are often different to those of men.

to get knowledge about poverty and thus to define poverty and select programs. The organizations determine poverty based on some of the criteria as: income, family size, age, number of unemployed in family, housing conditions, household utensils, access to basic needs, educational level, health conditions, etc.

To the beneficiaries their causes of poverty are: unemployment, low incomes, big family size, housing conditions, mono-parenting, low education, not having ability to work. Nowadays because of economic recession, more and more people become unemployed. As beneficiaries said, cumulative increase of unemployment, lack of jobs is the main cause of poverty in the regions, followed by difficult employment possibilities.

I found that 33 out of 34 NGOs has had a survey to determine the necessity of programs before initiating them, to know how much the programs are getting support from the local people or the beneficiaries. In terms of decision making and project planning it is not common to include the beneficiary groups, but visits and regular contact with the beneficiaries at the household or at personal level is in practice. The majority of the beneficiaries are satisfied with the NGOs' staff, they listen to them, to their personal problems, and they consider the beneficiaries' opinions as much as they can. On average the staffs of these NGOs talk with the beneficiaries weekly, monthly or a few times a year. The strategy is to get ideas from the beneficiaries as well as to get feedback from them. Through this the majority of NGOs can ensure that their work do or does not impose inappropriate solutions by evaluating the opinions of beneficiaries with more occasions.

As I noticed during non-participant observation the people working at NGOs do not try to impose their decision, rather they listen to the beneficiaries. These relationships are valuable resources for beneficiaries, experiencing the respect of NGO staff, with opportunities for self-expression and equal dialogue, and having the opportunity to build trust and friendship with outsiders. Previous research on NGOs has shown that among many of them there is a tendency to understand beneficiaries as recipients rather than as active participants (Dakova et al 2000). NGOs try to target poverty on its roots by listening to the beneficiaries and learning from them. However emphasis is on understanding the needs of the poor, the tendency that beneficiaries are recipients rather than active participants seems to remain unchanged in the case of studied NGOs.

Most of the activities of NGOs are directed to children, institutionalized children and young people. Some organizations undertake projects aimed at helping institutionalized children to escape social exclusion after they reach the age of 18 and have to leave the care institutions. Other organizations have as beneficiaries particularly vulnerable categories: physically or mentally disabled persons, elderly, women, unemployed, alcohol and drug dependents.

A very few organizations are also involved in helping them find an appropriate job. It is recognized, that successful employment creation for poor people faces a lot of difficulties (Anzorena et al 1998). While virtually all low-income urban households consider increased incomes or better paying jobs as a priority, this is often not easily achieved both because of the limited demand for the goods and services that new enterprises might provide and because of the competition they face. In the cities (mainly the bigger ones as Cluj-Napoca and Oradea) where a high proportion of the population has inadequate incomes, and a large informal economy exists, it is difficult to find niches for new micro-enterprises that could help to increase income or employment for low-income groups.

There are also a few NGOs (for example Prison Fellowship, Rescue Foundation in Cluj-Napoca) which are working for the reintegration of former detainees, by making people aware of their own capacities and resources, that can help increase the options available to them. There are NGOs that develop activities aimed at helping unemployed and socially vulnerable persons through the provision of vocational training (for example sewing and computer courses in Oradea through CASA Christian Association), education and job meditation (Rescue Foundation in Cluj-Napoca). Professional advice and support can increase the choices further, but successful professional intervention requires that the value of such intervention is recognized and accepted by low-income households. In general these increase income-earning capacities as well as useful skill.

Other NGOs are trying to improve housing, living conditions and basic services of the low-income groups. From the point of view of the promotion of self-help initiatives however, the impact is more limited. There have been many examples in the previous years of initiatives directing to meeting societal needs that ceased when the donors' financial involvement ended (Dakova et al. 2000).

Moreover, some interviewed NGO representatives have complained about the apathy of beneficiaries in helping themselves. A story of success has the Habitat for Humanity international NGO (Cluj-Napoca), which main activity is the improving housing conditions by constructing houses. The most important reason why they have given priority to improving housing and basic services is because the poor groups themselves had identified these as their priorities. A home of their own is important for providing low-income households with stability and security, especially important for households with children and for the person within the household who takes most responsibility for child-rearing and household management (usually the mother).

As we could see the NGOs' activities cover a large scale of social problems. Most common social service activities offered are: social canteens, temporary shelters for persons, leaving institutions, day care centers, home care services, temporary housing centers for counseling, training and education, package distribution (food, cloth and medications).

In many cases I understood that the organizations studied have launched their programs in response to available funding.⁵ The tendency that NGOs have been created simply in response to available Western funding (Pralong 2004:238), can be found in some extent in the case of the six counties studied. Local NGO executives acknowledge to this day that they design their programs to capture Western funds rather than to address local issues needed to be resolved. Even when NGO programs are geared toward addressing particular local issues, such process puts priorities upside down: local NGOs first identify the preferences of the likely donors, and only after that do they seek the local need that may be satisfied from such cooperation.

In other words, they tailor projects to fit Western concerns, rather than appeal to Western donors to respond to local needs. This sequence (first find the funds, than seek the need to be fulfilled) stands contrary to the expected logic of civil society development and representation. Normally associations derive their power and legitimacy from civil society rather than from Western sponsors. Western donors often have their own agendas that are clearly beneficial for social change, but not necessarily re-

flecting local needs. As Anzerona et al (1998) states, each initiative for reducing poverty has different funding requirements and different patterns largely because people's poverty is rooted in the specifics of their own city and its economy, in the land-owning structure, the political system, etc. In addition, in each city, circumstances are constantly changing and external funding should be able to respond to such changes

To sum up, some of the NGOs are taking programs for poverty alleviation through which more funds can be generated. Based on findings, this study's proposition could be that the NGOs program selection hardly considers the needs of the poor, rather try to design programs keeping fit with the guidelines of donors, but despite this fact, as it revealed from the interviews with the beneficiaries, the work of the NGOs is mainly successful, their objectives in meeting the beneficiaries need is obtained. Even if very few programs are contributing to reduce poverty directly, and very few are bringing sweeping changes in the beneficiaries' life, on average the programs are reaching those in needs.

5. Conclusion

In Romania an important share of the non-profit activities is placed in the field of social services. This reflects the answer, which was given by NGOs to the situation of groups who are economically, socially marginalized, such as children, elderly and disabled. In my research I found, that NGOs are active in empowering marginalized and play a particularly strong role in meeting the poor's needs directly in the Nord-West Development Region of Romania. However, the overall impact is rather limited and it is not very visible on a larger scale. NGOs' activities continue to remain invisible to the majority of the population, and the majority of NGOs are more oriented to the donors' priorities and unable to build local constituencies.

In general, NGOs still suffer from a lack of sufficient financial resources and the state offers only limited support. Dependence on foreign donors, which are gradually pulling out of the region, complicates the situation even further. Many of the NGOs develop imported programs, which are not very well connected to the community they are serving. In spite of these facts, NGOs seem to be more effective than the state in meeting the needs of marginalized groups, they are specialized or-

⁵ With exception of few organizations, mainly small charitable religious organizations, based on the charitable giving.

ganizations and they are better rooted within the communities than state agencies. Despite the high degree to which NGOs depend on foreign financing resources, respondents consider that donors' policies play a less important role in determining the organizations' activities.

The study's main question was on the one hand, whether the NGOs' poverty definition and their programs match the reality, and on the other hand whether they are successful or not in poverty reduction. A number of NGOs are engaged in projects aiming to eradicate poverty, either by directly supporting the poor, or by creating opportunities for disadvantaged or marginalized categories of people to escape poverty, however this number seem to be very low. However some of the NGOs do not have a well defined poverty definition, but on average they have a clear strategy for addressing poverty. The main appropriate way to define poverty for NGOs (mainly for those working in local or regional level) is a baseline study based on survey research in the area. I found that the number of NGOs which use a baseline study is very low. NGOs' poverty perception is influenced mainly by international NGOs, main donors, or the government's definition.

The internal and external forces are very important aspects of defining poverty and choosing programs by NGOs. Internal factors are the individual and group beliefs of the employed professional staff, occasionally the opinions of beneficiaries, the ideology and vision of the NGOs. External forces are the other NGOs, donors, funding agencies, the NGOs' policy. In many cases NGOs have launched their programs in response to available funding. NGOs first identify the preferences of the likely donors, and only after that they seek the local need.

This study's main finding is, that despite the fact that NGOs try to design programs keeping fit with the guidelines of donors, they consider the needs of poor, their programs are appreciated by the target group as being successful, which are reaching those in real needs.

Absztrakt

Civil szervezetek szerepe a szegénység csökkentésében

Jelen tanulmány a civil szervezetek városi szegénységre gyakorolt hatását járja körül. A tanulmány az Északnyugat-romániai fejlesztési régió

hat megyéjében (Bihar, Beszterce-Naszód, Kolozs, Máramaros, Szatmár, Szilágy) zajlott kutatásra épül. A kutatás azokra a civil szervezetekre terjed ki, amelyek szegényeket célzó programokat működtetnek. A tanulmány célja feltárni és elemezni, hogy a szegénységgel foglalkozó civil szervezetek hogyan definiálják a szegénységet, mi a programok kiválasztásának mechanizmus, milyen szerepet játszanak a szegénység csökkentésében, fenntartható és hosszútávú megoldások keresésében. Az elemzés kitér a civil szervezetek közötti együttműködés, a civil szervezetek és helyi közigazgatás illetve hivatalos szervezetek közötti viszony, együttműködés és kommunikáció vizsgálatára is.

A szociológiai kutatás adatgyűjtése kérdőíves felmérésre, résztvevő megfigyelésre, civil szervezetek vezetőivel és a szervezetek kedvezményezettjeivel készült mélyinterjú-sorozatra épül.

Abstract

The Contribution of NGOs in Reducing Poverty

The paper examines what roles NGOs play in helping the urban poverty to meet their needs and to combat their vulnerable situation. The research has taken place in North-West Development Region (counties: Bihar, Beszterce-Naszód, Kolozs, Máramaros, Szatmár, Szilágy) in Romania. The research focuses on NGOs that are active actors in combating poverty. The paper analyze how these NGOs perceive the term poverty, how do they select their programs, what role can NGOs really play in combating poverty, can they provide sustainable solutions? The partnership between NGOs and local administration, cooperation, communication with public institutions, the intensity of partnership between NGOs and local administration is also analyzed.

Empirical data was collected by various methods: the first-hand data was collected from field survey – a questionnaire consisting of both structured and open-ended questions was developed and administrated both by e-mail and face-to-face, to gather detailed information, followed by participant observation, field visits, structural interviews with NGO representatives and target groups.

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Appendix

Appendix 1. State support for NGOs in chief towns of counties through Law 34/1998.

| County/Town | Year | No. supported NGOs | No. beneficiaries | Amount (RON) |
|---------------------------------|--------------------|--------------------|-------------------|--------------|
| Bihor/Oradea | 2006 | 2 | 164 | 825 724 |
| | 2007 | 2 | 185 | 102 751 |
| | 2008 | 4 | 329 | 320 465 |
| Bistrita-Nasaud/Bistrita | No data | | | |
| Cluj/Cluj-Napoca | 2006 | 6 | 309 | 165 360 |
| | 2007 | 8 | 432 | 345 120 |
| | 2008 | 9 | 463 | 439 044 |
| Maramures/Baia-Mare | No grants accorded | | | |
| Satu-Mare/Satu-Mare | 2006 | 1 | 1 318 | 403 188 |
| | 2007 | 1 | 1 128 | 440 292 |
| | 2008 | 1 | 1 498 | 858 108 |
| Salaj/Zalau | 2006 | No grants accorded | | |
| | 2007 | No grants accorded | | |
| | 2008 | 2 | 60 | 39 120 |

