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ORIGINAL PAPER

NGOization, Foreign Funding, and the Nicaraguan Civil Society

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Abstract A substantial section of nongovernmental organizations (NGOs) in the global South depend on foreign funds to conduct their operations. This paper explores how the availability of foreign funding affects their downward accountability, abilities to effect social change, and their relative influence in relation to traditional grassroots, membership-based organizations (GROs), which tend not to receive such funding. Drawing on a case study of Nicaragua, we challenge the notion that foreign funding of domestic NGOs leads to the evolution of civil society organizations, which have incentives and abilities to organize the marginalized sections of society in ways to effect social change in their interests. Instead, we find that foreign funding and corresponding professionalization of the NGO sector creates dualism among domestic civil society organizations. Foreign funding enhances the visibility and prestige of the "modern" NGO sector over traditional GROs. This has grave policy implications because foreign-funded NGOs tend to be more accountable to donors than beneficiaries and are more focused on service delivery than social change-oriented advocacy.

Résumé Une grande partie des organisations non-gouvernementales (ONG) de l'hémisphère sud dépendent de financements étrangers pour conduire leurs opérations. Cet article explore la façon dont les financements étrangers affectent la responsabilité au sein de ces organisations, leur capacité à amener des changements sociaux, et leur influence relative vis-à-vis des organisations de base traditionnelles fondées sur l'adhésion (ODB) qui ne reçoivent généralement pas de tels financements. En nous basant sur une étude de cas au Nicaragua, nous remettons en question l'idée que le financement étranger d'ONG locales amène à faire évoluer les organisations de la société civile, leur donnant la motivation et les moyens

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nécessaires pour organiser les groupes sociaux marginalisés dans le but d'améliorer leur condition. Nous constatons qu'au lieu de cela, le financement étranger et la professionnalisation du secteur des ONG qu'il entraîne crée une dichotomie entre organisations de la société civile locale. Le financement étranger améliore la visibilité et le prestige des ONG « modernes » au détriment des ODB traditionnelles. Ce fait a des conséquences politiques importantes car les ONG recevant des financements étrangers sont généralement plus responsables vis-à-vis de leur donateurs que de leur bénéficiaires et plus concentrées sur l'exécution de services que sur une action visant au changement social.

Zusammenfassung Viele nicht-staatliche Organisationen auf der Südhalbkugel sind bei ihren Tätigkeiten auf Gelder aus dem Ausland angewiesen. Dieser Beitrag untersucht, wie sich die Verfügbarkeit ausländischer Mittel auf die vertikale Rechenschaftspflicht dieser Organisationen, ihre Fähigkeit, soziale Änderungen zu bewirken und ihren relativen Einfluss im Hinblick auf die traditionellen mitgliederbasierten Basisorganisationen, die in der Regel keine derartigen Gelder erhalten, auswirkt. Beruhend auf einer Fallstudie von Nicaragua hinterfragen wir die Auffassung, dass eine Finanzierung inländischer nicht-staatlicher Organisationen mit ausländischen Mitteln zu einer Entwicklung von Bürgergesellschaftsorganisationen führt, die daran interessiert und in der Lage sind, gesellschaftliche Randgruppen zu organisieren, um soziale Änderungen in ihrem Interesse zu bewirken. Stattdessen kommen wir zu dem Ergebnis, dass die Mittelbereitstellung aus dem Ausland und die entsprechende Professionalisierung des nicht-staatlichen Sektors einen Dualismus unter den inländischen Bürgergesellschaftsorganisationen schafft. Eine Finanzierung aus dem Ausland erhöht die Visibilität und das Ansehen des „modernen"nicht-staatlichen Sektors gegenüber traditionellen Basisorganisationen. Dies hat gravierende organisationspolitische Folgen, da sich nicht-staatliche Organisationen, die mit ausländischen Mitteln finanziert werden, in der Regel gegenüber ihren Spendern mehr verpflichtet fühlen als gegenüber ihren Leistungsempfängern und sich mehr auf die Leistungserbringung konzentrieren als auf eine Interessenvertretung, bei der soziale Änderungen im Vordergrund stehen.

Resumen Una parte sustancial de las organizaciones no gubernamentales (ONG) en el Sur global dependen de fondos extranjeros para llevar a cabo sus operaciones. El presente documento explora cómo la disponibilidad de financiación extranjera afecta a su responsabilidad hacia abajo, a sus capacidades para efectuar el cambio social y a su influencia relativa en relación con las organizaciones tradicionales locales basadas en la afiliación de sus miembros (GRO, del inglés grassroots organizations), que tienden a no recibir dicha financiación. Basándonos en un estudio de caso de Nicaragua, cuestionamos la noción de que la financiación extranjera de ONG nacionales lleva a la evolución de las organizaciones de la sociedad civil, que tienen incentivos y capacidades para organizar las secciones marginadas de la sociedad de forma que efectúen el cambio social en su interés. En cambio, encontramos que la financiación extranjera y la correspondiente profesionalización del sector de las ONG crean dualismo entre las organizaciones nacionales de la sociedad civil. La financiación extranjera acentúa la visibilidad y el

prestigio del sector moderno de las "ONG" sobre las organizaciones locales (GRO) tradicionales. Esto tiene graves implicaciones políticas porque las ONG que reciben financiación extranjera tienden a ser más responsables ante los donantes que beneficiarias y se centran más en la entrega de servicios que en la defensa orientada al cambio social.

Keywords Central America · Nicaragua · Foreign funding · NGOs · Civil society · Accountability

Introduction

Civil society is expected to provide the foundations for political and economic development (Putnam 1995). Beginning in the 1990s, as the "associational revolution" (Salamon 1994) spread across the world, recognizing the shortcomings of the state-centric development model, Northern donors (such as private foundations, inter-governmental organizations, and governments) began funding projects to strengthen nongovernmental organizations (NGOs) in the global South (Stiles 2002). Their interventions were predicated on the assumptions that these modern NGOs will serve as agents for social change and deliver public services effectively because they will be more accountable to citizens (Pearce 1993). A number of scholars have found such assumptions problematic (Edwards and Hulme 1996; Uphoff 1996; Howell and Pearce 2001; Bob 2002; Mercer 2002; Sundstrom 2006; Prakash and Gugerty 2010a). In particular, scholars like Howell and Pearce (2001) suggest that foreign funding encourages "showpiece" NGOs that come to dominate and depoliticize civil society, stifling possibilities for social change by and for the marginalized. This paper examines the issues raised by this critical NGO literature in the context of Nicaraguan civil society.

We focus on two components of civil society organizations in developing countries: the modern professionalized NGO sector which depends on foreign funds and the traditional membership-based grassroots organization (GRO) (Edwards and Hulme 1996). Nicaragua is an important case because while it has a remarkable history of citizen engagement via GROs, it currently faces a crisis of citizen disengagement from civil society and the decline of these same GROs. We see this despite growing social problems (poverty, corruption, and environmental degradation), which should incentivize citizens to participate more energetically in GROs. At the same time, there is a substantial increase in the number of foreign-funded NGOs, which claim to promote civic participation and champion social change for the poor and marginalized. Indeed, we assess claims made by these NGOs by using the normative framework they themselves widely espouse: citizen participation on a large scale is necessary to achieve social change in the interests of the poor and marginalized. The emerging dualism among Nicaragua civil society organizations and its consequences for social change prompts our two-pronged research question: For NGOs in the global South, how does foreign funding affect their downward accountability and abilities to effect social change? Further, how does the infusion of foreign funds in the modern NGO sector affect the influence and capacities of

GROs, which tend not to receive such funding? We explore the above issues by drawing on qualitative, interview-based research and working with insights offered in political science, organizational theory, and development literatures.

The paper is organized as follows: section two outlines our theoretical argument. In section three, we provide an overview of our sampling strategy and methodology. Section four presents the evidence gathered during field work to support our claims. In the concluding section, we identify the theoretical and policy implications that emanate from this paper.

Civil Society: Modern NGOs and the Traditional GROs

Both scholars and practioners have tended to employ the term "civil society" in somewhat an open-ended fashion. Arguably, the civil society sector represents voluntary associations by citizens to solve shared problems either through policy advocacy (via advocacy organizations or NGOs) or through service delivery (via nonprofit organizations or NPOs). This sector is supposed to neither be a part of the government, nor of the profit-sector. Scholars have equated civil society with non-governmental organizations, social movements, third sector, activist groups, citizen groups, nonprofits, and so on (Vakil 1997; Lewis and Wallace 2000; Johnson and Prakash 2007). For the purpose of this paper, we identify two distinctive components of civil society: the modern NGO sector, which tends to employ professionals and receive foreign funding for its operations, and the GROs, which are membership-based grass-roots organization.

Some scholars view NGOs as actors governed primarily by principled concerns (Keck and Sikkink 1998).[1] While recognizing the merit in this argument, we draw on the critical view (Edwards and Hulme 1996; Cooley and Ron 2002; Henderson 2002, Bob 2002; Prakash and Gugerty 2010a; Sell and Prakash 2004) which recognizes the tremendous heterogeneity among NGOs and models them as actors driven by both normative and instrumental concerns. Resource scarcity creates competition among NGOs and discourages them to cooperate to serve the "greater good" (Cooley and Ron 2002; Pfieffer 2003). Thus, the critical perspective of NGOs as both instrumental and normative actors forces us to recognize that what some NGOs say might not translate into what they actually do. It helps us to understand Nicaraguan NGOs' policies and behaviors shown below that seem to go sometimes even against their stated missions and the interests of their beneficiaries.

There is a substantial literature on accountability of civil society actors (Ebrahim 2005; Kilby 2006; Murtaza 2011; Prakash and Gugerty 2010b; Townsend et al. 2002). Ebrahim describes accountability as "the means by which individuals and organizations report to a recognized authority (or authorities) and are held

[1] Hansmann (1980) suggests that nonprofit organization focused on service delivery were more credible than for profits delivering the same services because the former could not distribute profits—the assumption being that the opportunity to distribute profits leads the for-profit organizations to cheat. Thus, nonprofit scholars have offered an institutional explanation (the nondistribution constraint), why nonprofits are virtuous. In contrast, political scientists and development scholars studying NGOs focused on advocacy have offered an ideational argument as to why NGOs are trustworthy.

responsible for their actions' or as 'the process of holding actors responsible for actions'" (2005, pp. 58–59). He identifies three types of accountability: "upwards" accountability toward the donors, downward accountability to beneficiaries of organizations' outputs, and internal accountability that relates to responsibility to the staff and the mission. Our paper focuses primarily on the issue of upward versus downward accountabilities and how foreign funding creates systematic incentives for civil society actors to focus on the former at the cost of the latter.

Because any organization seeks to survive (Pfeffer and Salancik 1978), dependency on foreign donors creates incentives for NGOs to pay attention to the concerns of their donors as opposed to the concerns of their beneficiaries (Ebrahim 2005; Kilby 2006; Mitchell 2012; Murtaza 2011; Townsend et al. 2002).[2] This is particularly problematic since the interests and ideologies of donors and marginalized beneficiaries may not overlap. Eventually, the weakening of downward accountability to their beneficiaries limits NGOs' ability to motivate their beneficiaries to engage in processes of social change (Kilby 2006). It can also make NGOs more vulnerable to accusations of being foreign agents (Murtaza 2011; Dupuy et al. 2012; Parks 2008).

Donor funding (as opposed to member funding) creates incentives for NGOs to focus on projects with short-term measurable outcomes and which do not encourage broad-based community participation. This also leads organizations to adopt less radical activities that do not challenge donor policies or interests (Bartley 2007). Fisher (1997) contends that "through depoliticization, NGOs are in danger of becoming the new attachments to the "antipolitics" machine of development, the practices of which Ferguson (1994) has described in his seminal work on development in Lesotho," (1997, p. 446). Ferguson showed that "development" actors must frame their work narrowly within accepted, depoliticized "development" discourse. Ebrahim (2005) explains that this depoliticization is often necessary to secure funding, noting that donors tend to focus more on short-term "products" and much less on "more ambiguous and less tangible change in social and political processes" (64). He further argues that this discourages downward accountability to beneficiaries, impedes organizational learning (based on critical self-evaluation), and limits the ability of NGOs to work toward long-term social change. Foreign funding thus depoliticizes NGOs (Arellano-López and Petras 1994; Stiles 2002). In addition, some suggest that foreign funded NGOs reflect the strategic choice to ease in neoliberal economic changes (Howell and Pearce 2001; Kihika 2009; Mercer 2002). This is because NGOs can meet the immediate needs of the poor, which have been hurt by state retreat from social service provision and can be used as vehicles to control and channel social unrest (Biekart 1999). As Smith (1990) notes in the context of Colombia, foreign funded NGOs can thus serve a "system-maintenance function" to preserve the status quo.

There is a growing concern that foreign funded modern NGOs are crowding out GROs such as unions and cooperatives. This is a phenomenon observed in contexts as disparate as Palestine, Bangladesh, Ghana, Uganda, Bolivia, and Central America

[2] As shown by AbouAssi (2012) in the context of Lebanon, the magnitude of NGO acquiescence to changing donor demands depending on their degree of resource dependence and diversity of their donor portfolio.

(Arellano-López and Petras 1994; Stiles 2002; Jad 2007; Howell and Pearce 2000; Macdonald 1997; Robinson and Friedman 2005).[3] Foreign funded NGOs tend to have the resources, connections, and the expertise to project themselves in the media and the social sphere. As Howell and Pearce (2000) note in the context of Guatemala, GROs who "seek to retain their agenda for social and political change…are marginalized from the mainstream" when foreign funding becomes available (p. 87). In their place enter "a handful of well-funded, showpiece 'civil society organizations' that are internationally known" and "able to write convincing annual reports," yet are "completely divorced from the needs of the mass of the population" (p. 87), a point also made by Bob (2002). Drawing on the insights offered by critical theorists the next section provides a review of the civil society dynamics in Nicaragua.

Civil Society Organizations in Nicaragua

The civil society dynamics in Nicaragua described in the literature largely coheres with the critical theoretical narrative described above. To understand this phenomenon, we briefly review the history of civil society organizations in Nicaragua here. Prior to the late 1970s, domestic civil society organizations were either covert or controlled by the Somoza dictatorship (Walker 2003). Following the overthrow of Somoza in 1979, the Sandinista (FSLN) government consolidated revolutionary groups into mass popular organizations (*organizaciónes de masas*). These organizations drew heavily on mass voluntarism (Serra 1991) though were funded by the state (Baumeister 1995; Polakoff and La Ramée 1997; Ruchwarger 1987; Barraclough and Transnational Institute 1988; Tvedt 1998). These organizations were internally democratic at the lower levels—and at least nominally so at higher levels (Serra 1991). Yet, over time these mass organizations became increasingly verticalized, polarizing, and subordinated to the state (Macdonald 1997; Vilas 1986; Walker 2003), causing a major decline in participation by the end of the decade (Polakoff and La Ramée 1997; Serra 1991; Vilas 1986).

These shortcomings of civil society in the 1980s are enormously significant, and indicate that Nicaragua has never had the idealized fully independent, bottom-up civil society. Despite these serious faults, the mobilization, and participation of huge swaths of the population greatly impacted the Nicaraguan psyche (Smith 1993; Pearce 1998; Polakoff and La Ramée 1997; Ruchwarger 1987).[4] The mass organizations, the GROs, claimed an estimated combined membership of nearly a

[3] Skocpol (2003) notes how structural pressures are leading NGOs in the United States to become more professionalized and Washington focused.

[4] Mobilization and empowerment aspects of NGOs need to be differentiated. As described by Stiles (2002), the mobilization perspective views NGOs as seeking to mobilize the marginalized against the status quo. In this sense, NGOs are pitted against both the state and market actors. Empowerment perspective suggests that NGOs enable marginalized to realize their potential and participate more effectively in social and economic activities. A typical example would be micro-credit organizations such as the Grameen Bank which allows the marginalized to overcome the failures in the credit market and get capital to participate effectively in market processes. Our paper focuses on the ability of traditional grassroots organizations, in contrast with the modern NGOs, to mobilize citizens to assert their rights.

half million adults (in a country of only three million) even as late as 1989 (Serra 1991, p. 49). As Serra (1991) notes, "many people, in spite of everything, had learned to state their opinions, criticize, be informed about the policies of the government, and organize in collective attempts to attain satisfaction of their common needs" (74). This historical context of mass participation in civil society and membership organizations, however limited and marred by later authoritarian tendencies, provides an important point of comparison for the current fragmented state of Nicaraguan civil society.

Following the 1990 elections, the National Opposition Union (*Unión Nacional Opositora*, UNO) administration introduced neoliberal reforms with regressive effects on the poor (Polakoff and La Ramée 1997; Walker 2003), which also put pressure on the mass organizations, unions, and cooperatives that traditionally represented them (Borchgrevink 2006; Polakoff and La Ramée 1997). By 2008, levels of unionization had shrunk to 8 % of the labor force, down from 22 % in 1989,[5] below even the levels seen during the Somoza dictatorship.[6] Cooperatives similarly shrunk from 3,800 in 1990 to barely 400 in 1999 (Nitlápan-Envío 1999, p. 10). The decline in these traditional GROs and the elimination or downscaling of state social service institutions was accompanied by an explosion of modern NGOs.

We use the term "NGO" to refer to the modern social service/advocacy organizations controlled by professional staff and funded by external donors. In contrast, we refer to unions, cooperatives, community organizations, and mass organizations as "GROs," given that they are controlled and funded by a membership (at least nominally) and involve the participation of large numbers of nonprofessional citizens.[7] While a handful of NGOs began operating in Nicaragua during the 1980s (Smith 1990), the number of NGOs has grown immensely since 1990. This paradigm shift is often referred to in Nicaragua as the "NGOization" (*ONGización*) of civil society. These NGOs employ many former government workers, and draw on many of the same foreign donors that once channeled their funding through the state (Mattsson 2007). Some estimate that NGOs grew from 300 in 1990 to 2000 in 2005 (Borchgrevink 2006; Mattsson 2007; Vázquez 2008). Bilateral and multilateral funding for NGOs steadily increased from $90.2 million in 2000 to $289.3 million in 2006 (BCN 2007), though overall foreign aid to Nicaragua is declining (BCN 2010). This growth reflects donor preferences to channel funds away from the state, and to NGOs in Nicaragua (Walker 2003) and the private sector more generally (BCN 2010).

How might one describe the structure of the modern NGO sector that has boomed in Nicaragua? Where do accountabilities and responsibilities fall? At the lowest level are the "promoters" (*promotores*)—often community leaders and nominally

[5] The Sandinista worker's confederation (CST), however, put the number as high as 86 % by the end of the 1980s (O'Kane 1995).

[6] Union membership count from Polakoff and La Ramée (1997) and Vázquez (2008); percentage calculated from total labor force data provided by the World Bank (www.data.worldbank.org, accessed 4/27/10). Before 1979, union membership was 11 % (O'Kane 1995).

[7] We recognize the heterogeneity in these categories in Nicaragua—many "grassroots" organizations have been or are affiliated with political parties, and some "NGOs" may be more responsive to their constituents than corrupted membership organizations.

volunteers who work with NGOs. Yet, in her in-depth ethnography of NGOs working in rural northern Nicaragua, Mattson (2007) finds that promoters are often very loyal to NGOs, despite their community roots. While she notes that promoters are nominally unpaid, many receive small stipends, perks, or simply enjoy the status their position confers. Unfortunately, this loyalty often comes at the expense of their ability (or desire) to contest NGO staff on behalf of their community. Worse, she observes that communities are often so dependent on NGO aid that "it is uncommon that individuals [in the communities] say anything critical about the community promoters" out of fear that the NGO will leave their community (p. 98). If promoters' loyalty to their communities is not so straightforward, and communities are not always open to holding promoters to account, promoters may thus serve as only weak agents of downward accountability to communities.

NGOs' professional staff constitutes the middle level of the Nicaraguan NGO sector. At the highest level of the modern NGO sectors are advocacy networks—umbrella associations of civil society organizations engaged in largely national advocacy efforts. The largest of these is the Civil Coordinator (*Coordinadora Civil*, CC), which Bradshaw and Linneker argue is the "key opposition voice in the country" (2003, p. 154). Yet the CC, while nominally composed of a variety of civil society organizations, is dominated by better-funded, better-staffed, more professionalized, and Managua-based NGOs (Borchgrevink 2006). This leaves "large parts of [the CC's] membership"—who are not well-funded—"left with feelings that decisions are taken over their heads" (p. 47). This comes despite Ewig's (1999) finding that these smaller groups (with less funding and staff) are far better able to promote the participation of beneficiaries than the larger and more professionalized groups in Nicaragua.

In Nicaragua, the professional staff of modern NGOs and are rarely from the same class, ethnicity, or region as their beneficiaries. Instead, they often form what Mattson (2007) terms an "NGO elite" of educated middle-class, *mestizo*, and urban professionals enmeshed in international development discourse, often via international conferences (CC 2009). NGO staff thus express "a degree of superiority vis-à-vis "the people", i.e., NGO actors "know" the truth about the particular issues they work in favor of, they are experts, and their job is to subject the population of [sic] better ways of thinking reality" (Mattson 2007, p. 193, emphasis added). NGOs have thus come to exert an "intellectual dominance" over Nicaraguan society (p. 155).[8]

The disconnection between the NGO staff and citizens has arguably affected the quality and impact of NGO advocacy. Pérez-Baltodano (2006) observes that NGO leaders "almost never share the same 'life opportunities' and existential urgencies

[8] There is an unintentional parallel between these attitudes and the relationship of modern NGOs with promoters and communities and the vanguardism of the revolutionary ideologues of the FSLN in the 1980s (Mattson 2007). Although NGOs might oppose the phrasing, they aim for the same goal of the FSLN, to "guide, instruct, and transform the immature masses; at the same time…listen[ing] to the people and empower[ing] them" (Quandt 1995, p. 267). This is implied in the top–down prescriptive relationships with promoters and communities. Just as Serra (1991) noted of the 1980s, the role of the grassroots today is primarily consultative, if at all involved, in the policy advocacy process of NGOs. While the revolutionary ideologues have been replaced by (or often simply become) the development experts, the voice of the grassroots remains muted.

of those they represent." Therefore, he argues that their presentation of policies "with excellent intentions lacks the incentive, sense of urgency and even the rage and need for change that in the past provided the force behind social transformation and collective action" (p. 27). Given that Nicaraguan civil society is now "dominated by middle class [NGO] professionals of Managua" (Borchgrevink 2006, p. 47), it should not be a surprise that lobbying groups now gain legitimacy and influence in Nicaragua largely by their level of professionalization rather than representativeness or ability to mobilize their beneficiaries (Rocha 2005). Furthermore, Borchgrevink (2006) argues that donors have largely driven this new emphasis on professionalized advocacy through the "incentives of funding" (p. 58) and the transmission of their development discourses.

The NGOization of Nicaraguan civil society should be interpreted in the context of an increasingly demobilized and apathetic populace (Grigsby 2005; Mattsson 2007; Robinson 1997). Public opinion polls conducted at intervals between the years of 1991–2010 add to these qualitative assessments, showing a severe decline in citizen participation in resolving community problems (LAPOP, n.d.).[9] While this is a crude measure of civic participation, other indicators such as participation in local government are also on the decline. This apathy comes despite rampant corruption, poverty, inequality, and environmental degradation. Yet, it is also inevitably a result of many of these same problems: Nicaraguans who might organize and mobilize themselves face dire economic conditions (Polakoff and La Ramée 1997), government corruption and repression of civil society (Castán 2011), and a history of unfulfilled promises and sacrifice from the revolution (Mària and Arenas 2009).

Nicaraguans and foreign scholars alike suggest that the growing prominence of NGOs is not helping to reverse this trend toward demobilization and apathy, and may even help to drive it on. Grigsby (2005) suggests that modern NGOs have "perverted the natural channels through which people defend their rights and struggle for their demands" and have actually "helped reinforce a culture in which people expect handouts [from NGOs] rather than fight for their rights" (p. 22). This helps to explain, in part, the paradoxical decline in participation in spite of widespread social, economic, and political problems.

Grigsby's emphasis on NGOs inducing a cultural change is a key point. Mattson (2007) similarly argues that there is now an increasing legitimacy and normalcy of the NGO development model and discourse among most Nicaraguans. This has had major repercussions on GROs, which Nicaraguan women's movement activist Sofia Montenegro (2002) notes have "become more like NGOs, spending more energy fundraising and bureaucratizing to implement projects, and less acting as the participatory representatives of their respective sectors" (p. 17). The emphasis on these projects is at the heart of the depoliticizing effect of NGOs. In many ways, this

[9] Based responses to question CP5 from eight surveys since 1991, when 49.86 % of respondents ($n = 698$) affirmed participating to resolve a community problem. This declined steadily until 2004, when only 29.16 % ($n = 1423$) affirmed a similar statement, though now qualified to include only the most recent year. At the lowest point, 2006, the result was only 22 % ($n = 1750$). In 2010, the result was 31.48 % ($n = 1534$). The recent upward turn is encouraging, but the overall trend is still steeply negative.

new culture reflects a rejection of politics in favor of providing services and projects.

Methods and Sample

We focus on Nicaragua due to its unique history of popular involvement in civil society during the 1980s, its contentious relationship with rich countries such as the United States which now serve as donors, and the high proportion of foreign funding which is channeled through NGOs. In addition, Nicaraguan civil society after 1990 has been quite understudied. While we have sought to theoretically motivate our study, and engage with critical NGO literature examining other countries, our results should be interpreted with care.

In terms of generalizability, our results may be suggestive of certain trends. A number of key factors characterize the Nicaraguan case: (1) Nicaragua has high inequality and poverty. For most of the population, survival is a key concern and thus membership-based organizations can only raise modest funds to compete with foreign funded NGOs and business organizations. (2) Nicaragua still is highly aid dependent and receives a relatively large proportion of its foreign aid through NGOs. (3) Nicaragua underwent a relatively unique attempt at popular democracy and mass mobilization in the 1980s with a profound impact on popular consciousness. (4) GROs in Nicaragua, despite mass participation, have rarely been entirely autonomous of political parties and have often struggled with top–down mentalities (Quandt 1995). This makes civil society vulnerable to top–down, if benevolent, control by elites. (5) The concepts and terminology of development and civil society discourse gained acceptance in Nicaragua easily due to both prior Western influence and their similarity to the revolutionary discourse of the 1980s (Mattsson 2007). Thus, our findings may resonate best in other contexts that share some of these characteristics in varying degrees, though the trends we describe have been observed in a wide variety of contexts, as described in the literature review (Arellano-López and Petras 1994; Stiles 2002; Jad 2007; Howell and Pearce 2000; Macdonald 1997; Robinson and Friedman 2005).

The primary data were gathered by the researchers during the field study in 2009. It draws primarily from interviews conducted with local Nicaraguan NGOs, observation of NGO activities, and the review of local press, NGO publications, and websites. Interviews were conducted with 60 administrators, field staff, volunteers, and recipients in a total of 13 local NGOs (founded and run by Nicaraguan staff), three local NGO advocacy networks and one international network over 29 meetings and field visits during July and August 2009. Contacts were made using a snowball survey through both personal contacts and observation of local media for active NGOs. Once contacts were made, NGOs were selected to provide a qualitatively diverse sample of local NGOs. Foreign-run NGOs and chapters of foreign NGOs were excluded because they are less prominent in Nicaraguan civil society.

A nonrandom sampling approach can introduce a selection bias. However, this was necessary due to the lack of a centralized and current database of the NGOs

(and GROs) working in Nicaragua. While we recognize this limitation, we believe that NGOs selected provide a reasonably comprehensive and representative sample of the Nicaraguan NGO sector, as they work in 25 of the 26 categories (only lacking faith-based activities) listed by the *Coordinadora Civil* (CC) as the major areas of work of its hundreds of member organizations (CC 1999, p. 14). The sample includes both service- and advocacy-oriented organizations, though most organizations are a hybrid of both models. A list of NGOs in the sample, including their abbreviations, sorted by area of work is presented in Table 1. It is important to note that the broad categories we use cannot capture the variety of services and/or advocacy work of each organization. For example, Centro Humboldt is primarily an environmental advocacy organization, yet it was devoting significant resources to a well-building project at the time of fieldwork.

Interviews ranged from semi-structured to unstructured, formal to relatively informal, and from opportune discussions to daylong exchanges; to allow for flexibility and the largest sample possible in a short-time frame. All interviews, except with KEPA and one of the interviews with AsoFenix's American field volunteers, were conducted in Spanish. The study design called for at least one office interview with administration and one field observation and interview with field staff, volunteers, and recipients whenever possible. However, this was not always possible due to logistical constraints. In total, we interviewed at least one of the following: administrators (including 12 directors[10]) from all 17 NGOs, field staff from eight NGOs,[11] volunteer promoters from seven NGOs,[12] recipients from eight NGOs,[13] and a former staff member from the CC only. The total number of people interviewed was 60. All NGOs except AIDH were met once in their office, and all but six[14] NGOs were observed during their field work or events.

Open-ended questions were intended to allow interviewees to emphasize points that were most important to their work including the scope of their work, recipient or membership base, funding sources, and methods used. In addition, we asked about organizational history, political viewpoints (both personal and organizational), long-term goals, and relationships with recipients and/or members, donors, local government, and other NGOs. Handwritten notes were used in place of audio recording to put interviewees at ease.

We also reviewed NGO publications, reports, and NGO websites to collect additional background information about each NGO. An informal daily survey of local news media was conducted during July and August, 2009 to contextualize NGOs' work. NGO and GRO appearances and quotations in news media were noted. In addition, we analyze the viewpoints expressed by NGO staff in focus groups gathered during a prior mapping report of Nicaraguan civil society (ICD 2006). The primary data from this report was only minimally analyzed previously,

[10] AIDH, Asofenix, CENIDH, CIPRES, FEDICAMP, FMCP, INPRHU, KEPA, MCN, RNDDL, TESIS.

[11] Asofenix, CENIDH, CIPRES, CPDH, FEDICAMP, FMCP, MCN, TESIS.

[12] CENIDH, CIPRES, CPDH, FEDICAMP, FMCP, MCN, and TESIS.

[13] Asofenix, CIPRES, CPDH, Centro Humboldt, FEDICAMP, FMCP, MCN, TESIS.

[14] Those *not* observed were: AIDH, CODENI, INPRHU, IPADE, KEPA, RNDDL.

Table 1 List of NGOs included in this study

Short name	Full name (Spanish)	Full name (English)
Advocacy networks		
CC	Coordinadora civil	Civil coordinator
CODENI	Federación Coordinadora Nicaragüense de ONG que trabajan con la Niñez y la Adolescencia	Nicaraguan coordinator federation of NGOs that work with children and adolescents
RNDDL	Red Nicaragüense por la Democracia y el Desarrollo Local	Nicaraguan network for democracy and local development
Donor advocacy network		
KEPA	N/A	[Finnish] Service centre for development cooperation
Community organizing		
MCN	Movimiento Comunal Nicaragüense	Nicaraguan communal movement
Human rights and democracy		
CENIDH	Centro Nicaragüense de Derechos Humanos	Nicaraguan center of human rights
CPDH	Centro Permanente de Derechos Humanos	Permanent Center of Human Rights
AIDH	Asociación Integral para los Derechos Humanos	Integral association for human rights
IPADE	Instituto para el Desarollo y la Democracia	Institute for development and democracy
Environmental protection and rural development		
Centro Humboldt	Centro Humboldt para la promoción del desarollo territorial y la gestión ambiental	Humboldt center for the promotion of national land development and environmental management
CIPRES	Centro para la Promoción, la Investigación y el Desarrollo Rural y Social	Center for Rural and social promotion, research and development
INPRHU	Instituto de Promoción Humana	Institute for human promotion
AsoFenix	Asociación Fénix	AsoFenix
FEDICAMP	Federacion para el Desarrollo Integral entre Campesinos y Campesinas	Federation for the full development of rural people in Nicaragua
FMCP	Fundación Masaya Contra La Pobreza	The Masaya foundation against poverty
Health		
IXCHEN	Centro de Mujeres IXCHEN	IXCHEN Women's Center
TESIS	Asociación de Trabajadores para la Educación, Salud e Integración Social	Association of workers for education, health, and social integration

and thus our analysis here both helps interpret this report's evidence and provides a key way to help triangulate our findings from our fieldwork.

Evidence from Field Work in Nicaragua

Following our two-prong research question, we divide our results conceptually into two sections with separate units of analyses. Our observations and the proposed causes and implications are summarized in Table 2.

Table 2 Summary of observations and implications

Unit of analysis	Causes (proposed)	Proximate effects on unit of analysis (observed)	Broader implications on civil society (proposed)
Foreign-funded NGOs	Resource dependence/ institutional survival	Increased upward accountability to donors; decreased downward accountability to recipients	Decreases incentives and abilities to represent the interests of the poor and marginalized; encourages downward stream of expert and donor opinions and politics
		Decreased internal accountability; mission drift from social change-oriented to social service-oriented programs	Promotes *exit* over *voice* to work towards long-term social change
		Instability in long-term organizing and advocacy programs	Weakens ability to form broad coalitions and sustain pressure for social change
		Lack of cooperation between NGOs with similar donors or donors with political disagreements	
Member-based GROs	Resource disadvantage vis-à-vis NGOs	Isomorphism (moving to NGO model)	Depoliticizes national dialogue; decreases involvement of non-professional citizens in public affairs
		Limited influence in advocacy networks	
		Decreased ability to attract members	

The first three sections are an internal analysis of the modern NGO sector. We use NGOs as the unit of analysis and explore the implications of foreign funding on their downward accountability and their abilities to effect social change. In the last section, having detailed the effects of foreign funding on the recipients (the NGOs), we change our unit of analysis to the GROs operating on the margins or outside of the foreign funding system. We recognize that this section is brief and exploratory, but it offers an important way to begin to analyze the second-order effects of foreign funding and the growth of professionalized NGOs on grassroots organizations. Together, the presentation of evidence from both within and without the foreign funding system helps present a more cohesive cross-section of Nicaraguan civil society and analysis of the contemporary challenges and contradictions presented by foreign funding.

Accountability and Representation Challenges

To begin to understand the causes and implications of the paradox posed by large-scale civic disengagement, while NGOs meant to organize and include citizens are blooming, we must first turn our attention to the internal structure of modern NGOs and explore how foreign funding affects their ability and incentives to be held to account by their beneficiaries and to represent their interests.

Of the 13 service-provision NGOs in the sample, only the *Movimiento Comunal Nicaragüense* (MCN)[15] had a formal mechanism for direct downward accountability. The MCN is unique in the sample, holding internal elections from the community level up to its national leadership. The remaining 12 NGOs relied on less formal and poorly structured promoter networks which do not have the power to change the leadership of the NGO. Promoters tend to be the de facto community leaders and the main liaisons of the community with the NGOs. Promoters are volunteers who are generally recruited from the community or neighborhood where the NGO works. However, in the larger, national human rights promoter networks of *Centro Nicaragüense de Derechos Humanos* (CENIDH)[16] and *Comité Permanente de Derechos Humanos de Nicaragua* (CPDH),[17] which work in both rural and urban areas, many promoters are not even from the given community to whom they might be accountable to through kinship, social relations, or election. For example, in a promoter training for CENIDH observed in León, the majority of trainees interviewed were actually professionals from other NGOs and students of social work, a key preparatory degree for NGO work. CPDH's administrator noted that promoters that were more "capable" were often promoted to oversee other promoters, thus in Managua, one of the key senior promoters for CPDH was a local professor (personal communication, July 21, 2009).

NGOs view promoters as instruments to expand the reach of their services without employing more staff. For IXCHEN (*Centro de Mujeres Ixchen*),[18] promoters "have been key in the extension of educational coverage as transmitters of information, in the identification of needs, and in the preparation of conditions for the arrival of the IXCHEN Unity Mobile to the communities" (IXCHEN 2000, p. 6, emphasis added). This description was typical of the rhetoric used by staff in other NGOs. Promoters are recipients of information from the NGO experts above, which they reproduce and "transmit." They prepare communities for projects like IXCHEN's mobile healthcare visits and, at times, identify needs. Yet, throughout our field research, NGO representatives never brought up the concept of accountability to promoters even when discussing the benefits or roles of promoters. This conspicuous absence raises the key point: with NGOs unaccountable to them, promoters we observed in a wide variety of NGOs are essentially passive. While they perform the crucial tasks of identifying needs, engaging in consultation, or preparing communities for project implementations, they hold no formal or real power to decide on either the resolution of those needs or the political positions taken by NGO staff in their advocacy efforts.

While not central to our paper, this raises questions about internal accountability. Arguably, informal social mechanisms for accountability presumably exist between NGO staff and promoters. While NGOs must insure the cooperation of promoters for the success of their project, they can gain this cooperation through the esteem they confer their promoters or through the monetary or social status rewards they

[15] www.mcnicaraguense.org

[16] www.cenidh.org

[17] www.cpdh.org.ni

[18] http://ibw.com.ni/~ixchen

offer. Such informal mechanisms are likely to lead to weaker internal accountability than other mechanisms such as having elected representation by members, a typical structure in other Nicaraguan civil society organizations such as unions, cooperatives, and (to an extent) the mass organizations (Serra 1991).

The implications of the lack of downward accountability are by no means lost on Nicaraguan NGOs. In a focus group of NGO staff conducted by the Institute for Communication and Development (*Instituto de Comunicación y Desarollo*) one representative noted,

> "I do *not* believe that we are democratic, in the sense that we do not ask the beneficiary 'what is your opinion,' *we simply give them what we believe* and that's why there is the failure in some cases in the impact that we can have with the beneficiary […] I do not want to be negative, but to get better, *first I have to ask the beneficiary and then act*" (ICD, 2006, p.176, emphasis added).

Indeed linking internal organizational accountability and resource dependence to the lack of downward accountability to their beneficiaries, another representative added later,

> The [NGO] leaders' representativeness of their *constituents*, with the base, is still weak. This involves an institutional change of the very organizations of civil society. It is a change of mentality, but also it is also a matter that *has to do with resources* (ICD 2006, pp. 194–195, emphasis added).

These reflections by NGO staff illustrate a number of weaknesses caused by NGOization. Rather than providing a mechanism by which the citizens can articulate its interests (Clark 1997), foreign-funded NGOs "give" the beneficiary what their technical experts "believe" is needed. This sense of expertise is amplified by the aforementioned stark demographic differences between the NGO staff and recipients.

Our interviews with a broad range of NGOs suggest that foreign-funded NGOs in Nicaragua exhibit strong upward accountability to donors and weak downward accountability to their beneficiaries. They are structured to provide a downward stream of "expert" opinions of their staff, donor politics, and Northern development ideologies rather than consistently aggregating and representing the diverse interests and concerns of their beneficiaries. The unequal relationships between NGOs and their recipients means NGOs, on the whole, do not have strong incentives or abilities to represent and advocate for the interests of the poor and marginalized. The challenge posed by this accountability gap is magnified when we consider the increasingly dominant role of NGOs and NGO-based advocacy networks in Nicaraguan civil society.

Barriers to Cooperation and Advocacy for Social Change

NGO advocacy networks, such as the CC (*Coordinadora Civil*)[19] portray themselves the de facto representatives of Nicaraguan civil society, even though

[19] www.ccer.org.ni

their membership is dominated by foreign-funded, service-focused NGOs. The dominance of NGOs and NGO networks like the CC in particular, in Nicaraguan civil society prompt us to ask the question: how does foreign funding affect the ability of NGOs to cooperate and advocate over the long-timescales needed to effect social change?

We focus in this section particularly on the CC as a case study due to its overwhelming prominence and influence. The CC has grown from a platform of local NGOs lobbying international donors, local government, and particularly the national government for a more coordinated and "human capital" approach to reconstruction after Hurricane Mitch in 1998 to become the "key opposition voice of the country" (Bradshaw and Linneker 2003, p. 154). The CC boasts over 600 member organizations, and no other civil society actor (including those members of the CC) has nearly the same level of national prominence. A former administrator noted that around 2004 came the point when they no longer sought out the media; the media began to come to them (personal communication, August 20, 2009). The media now widely quotes and interviews the CC on topical policy issues as "a national reference," holding nearly one (very well attended) press conference a week (CC 2009, p. 29). In 2009, the CC was also able to hold well-publicized marches of up to 60,000 people—nearly 1 % of the population of Nicaragua—far more than any other single civil society organization or network during the same year. Its actions and opinions are such a threat to the government that its members experienced violent harassment by (alleged) government-funded mobs (*turbas*) after its National Assembly in 2009.

A lack of internal accountability perhaps reflects a deeper problem of a lack of downward accountability and a dominant focus on pleasing the donors. On the face of it, the CC makes a significant effort to fulfill its rhetoric of internal democracy. Officially all the members have equal rights in terms of voting and there are no leaders per se, only rotating "contact persons" (*enlaces*) and a spokesperson (*vocería*). (The CC considers this rotating leadership key to reducing the threat of authoritarian *caudillismo*.) To create their policy proposals, CC staff explained they rely on the experts who staff their member organizations in various thematic areas (gender, human rights, etc.). On balance, the CC attempts to gather the input of their hundreds of member organizations in meetings and consultations around the country (CC 1999, p. 15). Yet even Violeta Delgado, a former national liaison of the CC, admits that the CC is still very "Managua-centric" (ICD 2006, p. 190). This means that smaller organizations, without the same professional expertise or offices in Managua, are less able to participate in the CC's planning and advocacy. On the other hand, larger NGOs like CENIDH are (quite literally) given front row seats at their national assemblies.

As part of their democratic structure, the CC calls an annual national assembly of members to "approve [the CC's] strategic plans, operation plans, annual reports, budgets, and strategies" (CC 2009, p. 21). Yet at the CC's national assembly on August 8, 2009, the agenda was to celebrate the success of the organization and approve policy proposals already drafted at higher levels mainly by experts drawn from the most well-funded NGOs. Approval of the policy proposal was an informal process, passing by an ostensibly unanimous vote, despite quiet complaints from

smaller groups. This is a kind of unequal membership within advocacy networks like the CC—wherein influence is coupled mainly to funding, not necessarily downward accountability or public support—erodes both their representativeness and legitimacy as the voice of civil society.

In Nicaragua, the very idea of "advocacy" has become practically synonymous with professionalized lobbying in NGO staff discourse and practice. Organizing is often encouraged only for the purposes of a predetermined project or campaign, such as the "Investment Campaign" of the children's rights NGO advocacy network, CODENI (*Coordinadora Nicaragüense de ONG que trabajan con la niñez y la adolescencia*).[20] The goal of this campaign was to get more of the national budget devoted to children (in terms of education, health, etc.). Representatives of the different NGO members of CODENI, including two from the sample (*El Instituto de Promoción Humana*, INPRHU,[21] and *El Instituto para el Desarrollo y la Democracia*, IPADE[22]) meet on a monthly basis to plan events, such as the launch of this campaign. For the launch event of the campaign, each representative promised to ask a number of children involved in their programs to come to a publicity rally with the media. This was a very typical example of the way NGOs draw on their recipient bases mainly for legitimacy during advocacy campaigns, whether for marches, signatures, or publicity.[23]

Given the dominance of professionalized NGOs and advocacy networks like the CC and CODENI over GROs, we must ask: how effective are these modern NGOs and their networks in pushing for social change? Without prompting, a former administrator of the CC lamented that this accountability gap,—wherein NGOs have no real imperative to consult the constituency they claim to represent—is "fundamentally undemocratic" and a key issue in need of major improvement (personal communication, August 20, 2009). The CC's assumption that NGOs can represent citizens results in a serious disconnect between citizens and their advocacy efforts and forms a key weakness in the CC.

As Violeta Delgado explains, "The [Civil] Coordinator is still a very interesting hybrid, but it is also very *fragile*, because we are a network of networks but *not a network of citizens*" (ICD 2006, p. 190, emphasis added). Thus, the vast majority of the organizing done by the CC and its members—which could form the backbone of a powerfully interconnected and mobilized civil society—does not take place between citizens in the dusty *colonias* of Managua or the muddy *pueblos* of the countryside. Rather, it mainly occurs between the new NGO elite in hotels and the air conditioned offices of the NGOs and the CC in Managua despite the fact that Delgado believes "the greatest belligerence at the hour of mobilization is from the [rural] Departments" (ICD 2006, p. 190). Given this lack of accountable connections to the constituency, it is perhaps no surprise that Nicaraguan sociologist and advisor to CIPRES, Orlando Núñez, worries that "there is a certain sense that

[20] www.codeni.org.ni

[21] http://inprhu.org/

[22] http://www.ipade.org.ni

[23] Mattson (2007, p. 130) describes a nearly identical process for a campaign for women's rights.

the [Civil] Coordinator's power to mobilize people is limited, [and that there exists] a certain sense of distrust [of the CC]" among Nicaraguans (Grigsby 2005, p. 25).

Nevertheless, the CC does mobilize tens of thousands of citizens for marches, a clearly powerful show of strength which requires an impressive organizational effort and genuine public support. Yet doubts remain as to the ability of the CC and its members to sustain pressure over the timescales needed to make significant political and social change while so dependent on donor funding, and thus donor preferences. The CC credits its ability to execute these massive campaigns and marches—with only eight paid staff of its own—to the resources of the member organizations. These organizations, such as IXCHEN, then utilize their connections to their recipient communities to help mobilize people for marches or events. Yet these organizations, typically NGOs, are often changing programs quickly to keep up with new trends in donor preferences, even at the expense of the key connections to their communities: their promoters.

IXCHEN admits that its promoter network "requires external financial resources" and laments that when funding for the promoter network was cut for 2 years, some promoters were "recruited by other organizations" (IXCHEN 2000, p. 6). Though their training may be permanent, it is uncertain how much impact they can have without funding from an NGO, despite IXCHEN's hopes that they will continue to "defend women's rights against whatever injustice" regardless of funding (6). The result is a rather ephemeral civil society—one in which promoters, organizations, mobilizations, and even entire movements may come and go with the tides of funding.

Worse, many organizations that in theory ought to unite under the CC banner are actually in competition with one another for funding or are engaged in donor political feuds (like CENIDH and CPDH), leading to a level of noncooperation that is not based on substantive disagreements between represented sectors of Nicaraguan society. Tellingly, only those organizations in our sample with vastly different project portfolios and/or different funding sources seemed to have worked together. For example, CENIDH, a human rights NGO, provides legal advising/training to TESIS (*Asociación de Trabajadores para la Educación, Salud e Integración Social*)[24] and IXCHEN, both NGOs focused on health. Yet IXCHEN itself, which runs health clinics across the country, has no joint service partnerships with other NGOs setting up similar parallel health systems. In our sample, only four out of the 13 service-provision NGOs (the four advocacy networks are excluded since they cooperate by definition) stated that they had any direct cooperation with any other NGOs aside from through advocacy networks. Even the cooperation of these four was limited to information sharing and training; none stated they had any joint projects. We have thus found that despite modest successes, NGOs in Nicaragua face serious structural difficulties forming broad coalitions and sustaining pressure for social change while dependent on foreign funding which is transient and politically polarizing. Even when coalition-building is successful, the ability of foreign-funded NGOs to mobilize the poor and marginalized and respond to their interests is limited by their lack of downward accountability. More problematic still,

[24] www.tesisnicaragua.org

as discussed below, is that funding pressures have encouraged NGOs to drift away from even these modest advocacy efforts in favor of more concrete and less controversial social service provision.

Mission Drift and Limits to Social Change

Modern Nicaraguan NGOs compete fiercely to secure foreign funding. Many NGO representatives also complained of donor volatility and sudden changes in their funding priorities. With the exception of AIDH (which was in the process of seeking foreign funding),[25] all the NGOs studied were dependent on foreign funding for their existence. In the previous sections, we demonstrated how this dependence on foreign funding adversely affects the downward accountability of NGOs to their beneficiaries and their ability to cooperate and maintain pressure for social change in their advocacy efforts. In this section, we explore how this resource dependence on donors also affects the abilities of NGOs to prioritize both the advocacy efforts described in the previous section and general civic organizing and education; work that, while problematic, is considered important by the NGOs themselves to achieve their goals of social and political change.

Interestingly, the majority of the modern NGOs and advocacy networks in our sample—11 of 16—have explicit goals oriented toward social change.[26] Out of these 11, 10 noted policy impact as a primary goal, six noted monitoring and public awareness as a primary goal, and (a slightly different set of) six noted citizen participation in public politics as a primary goal. Yet all of the NGOs studied spend the bulk of their time on activities only loosely related to social change, namely social service provision, most filling voids left by state retrenchment following 1990. Ironically, the Nicaraguan NGO and advocacy network administrators that we interviewed resoundingly opposed the neoliberal anti-state paradigm, and saw the state as ultimately responsible for basic social services (e.g., health and education). Yet, instead of focusing on correcting the source of the problem, they seem to be exploiting it to acquire more funds.

An administrator from IXCHEN was particularly clear about the issue: because there is more money available for social services (in IXCHEN's case, women's medical care), this forms the vast majority of their operation. Importantly, she recognized that mobilization efforts in the women's movement were by far the most important aspects of their work and that the state should ultimately be responsible for healthcare.

NGO staff overwhelmingly emphasized their desire to mobilize "citizens to demand their rights from the government." NGOs defined these rights broadly to include not only legal and political rights, but also basic social services such as the availability of potable water, healthcare, and agricultural assistance. Yet by providing services parallel to the state, they make it much easier for Nicaraguans to exit (Hirschman 1970) the failed state service system rather than voice their discontent and make demands of the state. NGOs in the sample almost never had

[25] No website.

[26] The remaining five focus more explicitly on service-provision.

significant collaboration or joint projects with the government in regards to service provision, preferring vertical structures paralleling (typically underfunded, but larger-scale) government services, which they considered inferior.[27] NGO staff frequently underplayed the apparent contradiction of replacing state services *while* simultaneously encouraging citizens to demand better state services.

IXCHEN provides a typical example of this phenomenon. Providing low-cost medical services to women due to the poor quality women's health services provided by the state, IXCHEN has become a very popular and prominent institution in Nicaragua, with health centers across the country. Yet despite being convinced that the state was responsible for healthcare, one of IXCHEN's administrators admitted that, in her opinion, IXCHEN's medical services—while filling a critical short-term need—simply "would not resolve" state deficiencies as desired in the long-term (personal communication, August 21, 2009). It is similarly unlikely that IXCHEN's organizing work with promoters is going to result in citizen pressure for improved state services for women, since promoters focus on specific health issue education and arranging the logistics for IXCHEN's mobile medical unit.

Thus, the allure of funding generally draws NGOs away from active organizing and advocacy, and towards the provision of social services, often the same services they consider the state's responsibility (as in IXCHEN's case). Eventually, modern NGOs tend to limit social discontent that accompanies neoliberal reform. In the short-term, following Hirschman's (1970), it is often much simpler and easier for citizens to ask an NGO to fill a need than to mobilize for a long-term, systemic change that is uncertain and difficult to accomplish—and indeed, this simple calculus is what we observe in Nicaragua. This has had grave implications for GROs working to survive outside the foreign funding system.

New Obstacles for Grassroots Organizations

Why, despite the massive efforts and rhetorical commitments of foreign donors, have GROs and civic participation dwindled since 1990? Where is the grassroots "community," which the CC's members adamantly resolve to "work from and for" but "without substituting" (CC 2009, p. 19, emphasis added)? Although the CC proudly claims the membership of social movements, unions, and community organizations, these groups (and even smaller NGOs, as we showed above) are typically under-represented or overshadowed by larger NGOs with foreign funding. In this section, drawing now on GROs as our unit of analysis, we investigate how the increasing availability of foreign funding and subsequent growth of well-funded, professionalized NGOs has affected the influence and organizing models of the grassroots in Nicaragua.

The culture of organizing in Nicaragua has shifted dramatically toward the professionalization and short-termism that is most compatible with the modern

[27] The exceptions were limited to training and capacity- building of government officials or employees (Centro Humboldt, INPRHU, IXCHEN, and TESIS) or simply serving as a government subcontractor (AsoFenix).

NGO model. With NGOization, foreign funding has become a necessary element of organizing in civil society, arguably taking a much larger role than it did in the 1980s and early 1990s. Community organizers and promoters affiliated with NGOs (CC, CPDH, and MCN) continually spoke of foreign funding or, typically, the lack of it that hinders their ability to complete projects and workshops for their communities. Other NGO staff from IXCHEN and CENIDH, as well as promoters, and community leaders said that funding was necessary even for the organization and education efforts conducted by volunteer promoters, due to the amenities it offered. As the leader of a women's group in Carazo seeking funding to create a health clinic noted, people simply "won't come if you don't have food and a good space" for the meeting or workshop. She continued that it was just "necessary to form an NGO," especially in light of government incapacity regarding women's health (personal communication, August 20, 2009).[28] These service activities all require foreign funding; hence, it is no wonder that organizers and organizations like AIDH actively seek out international donors, despite having started with members' contributions.

NGOization has altered communities' expectations from civil society organizations. In the words of one GRO representative, "The communities do not feel like civil society. They look at civil society like a *project* that can resolve and finance their problems" (ICD 2006, p. 171, emphasis added). This comment illustrates the immense change in communities' perceptions of the roles of civil society organizations. Civil society is becoming a disconnected entity populated by professionals of which they "do not feel" a part, and which no longer requires sacrifices and collective participation to be successful. It is instead a "project," a means to "resolve and finance" instrumental, short-term problems, not a means to achieve long-term structural change.

The abundance of modern NGOs challenges the viability of GROs attempting to operate outside of the NGO–donor system. Without foreign funding, GROs cannot attract broad participation based on purely instrumental benefits like NGOs that are now expected. In this sense, GROs are in direct competition to recruit organizers and members with NGOs that can promise immediate benefits (status and/or material for promoters and material for communities). GROs require immediate sacrifices with uncertain future rewards—even if they bring a "larger, more utopian scope to [their] vision of social change" when compared with NGOs in Nicaragua (Montenegro 2002, p. 18). Their influence in critical umbrella organizations, like the CC, international forums, and even the media is also marginal due to a lack of funds and professionalization, as described above.

In response, many GROs, like the women's group described above, are beginning to adopt many elements of the modern NGO model, what sociologists have termed as isomorphism (DiMaggio and Walter 1983). The MCN in our sample is a prime example of this trend. Despite its roots as a Sandinista mass organization (Polakoff and La Ramée 1997), a strong membership base, mechanisms for downward

[28] While the definition of "food and a good space" is a small restaurant or office for most promoters, NGOs often hold upper level workshops and coordination events in the luxury hotels and restaurants in Managua.

accountability, and a self-avowed rejection of "paternalistic" development models, the MCN now relies on foreign funding and, unsurprisingly, generally operates as a service-provision NGO. While this shift is explained by staff as a response to the dire needs of the population and their fatigue from 1980s political mobilization, it may be also a response to a society now accustomed to the modern, service-focused NGO.

This NGOization of the grassroots mainly benefits the burgeoning sector of NGO elite and, in the short-term, the scattered communities that receive services, but all at the cost of the depoliticization of civil society. This depoliticization of NGOs and GROs limits the ability of civil society to serve as advocates for social and political changes that would benefit the poor and marginalized. As one advisor to the CC noted, becoming a (professional) NGO provides a great way to "capture [material] resources" but he worried that dependence on foreign funding encourages organizations to "substitute the state" and promotes "technicians with [projects like] wells instead of politics" (personal communication, August 31, 2009). Thus, while professionalization and institutionalization in the form of an NGO may bring some technical expertise and efficiencies, there is a risk that the NGOs are artificially sanitizing the political role of civil society and inhibiting the re-development of a grassroots civil society.

We find that foreign funding may have led modern, Managua-based NGOs with thin membership rosters to become much stronger than GROs such as unions, cooperatives, and mass organizations. Importantly, NGOization and the availability of foreign funding have ushered in significant changes in the culture of organizing in Nicaragua which have created major obstacles for the under-funded and predominantly rural GROs. GROs like the MCN have thus gone from one extreme to another, from an over-emphasis on national politics and ideology to massive decentralization and over-emphasis on service provision. This suggests that a more moderate balance is now in order to promote popular participation in proposing and advocating for social change without alienation and over-abstraction.

Conclusions and Future Research

Our exploratory study of Nicaraguan civil society suggests two key findings: First, modern, professionalized NGOs have gained a disproportionate prominence in civil society with foreign funding but have become increasingly isolated from their recipients. Their ability to effect social change is limited by their focus on securing donor funds, which results in prioritizing service delivery projects, fragmented advocacy, and transient long-term organizing. Second, GROs, which involve everyday citizens in civil society, face increasing obstacles to organizing and are marginalized in the national discourse. In fact, they are tremendous pressure to become more like the modern NGOs. This demobilization and depoliticization of the civil society is a major obstacle for the very social and political change oft-advocated for by the NGOs themselves. (Arellano-López and Petras 1994; Jad 2007; Howell and Pearce 2000; Macdonald 1997; Robinson and Friedman 2005).

Our findings support the critical NGO perspective which suggests that NGOs should not be viewed solely as principled actors (Keck and Sikkink 1998) but as organizations driven by both principled and instrumental concerns (Edwards and Hulme 1996; Cooley and Ron 2002; Henderson 2002; Bob 2002; Prakash and Gugerty 2010). Consistent with this literature we find that the instrumental concerns for organizational survival manifest in the competition observed between Nicaraguan NGOs for donor funds and their greater upward accountability to donors than downward accountability to their beneficiaries (Cooley and Ron 2002; Ebrahim 2005; Kilby 2006; Murtaza 2011; Pfieffer 2003; Townsend et al. 2002). Upward accountability also creates incentives for Nicaraguan NGOs to focus on social service provision rather than mobilizing citizens to be involved in bottom-up civil society and public politics. Indeed, the modern NGO sector in Nicaragua serves a "system-maintenance function" (Smith 1990) and limits dissent and civic participation, results consistent with the critical literature from other contexts (Howell and Pearce 2001; Kihika 2009; Mercer 2002).

An important lesson emanating from this paper is that foreign funding, no matter how well intentioned, is not always beneficial for promoting bottom up civil society, even in countries with legacies of relatively strong grassroots civil society like Nicaragua. This adds to the substantial literature showing the perverse effects of funding on civil society in states with communist legacies and little history of formal civil society (Henderson 2002; Sundstrom 2006). Furthermore, instead of assuming that all NGOs are guided by principled beliefs and serve as agents of social change, scholars need to carefully examine their motivations and the context in which they function (Prakash and Gugerty 2010a). This can lead to a more realistic and nuanced assessment of NGOs as a category of political actors with their own share of limitations and compromises.

We recognize that this study is exploratory. Our sample size and selection is limited. Most of our work focused on NGOs themselves, particularly their staff. Other organizations, such as informal community groups that were not significantly included in this study, should be more deeply investigated in future research. In-depth ethnographic and longitudinal work with a larger number of organizers and aid recipients can help better understand the apathy and demobilization faced by Nicaraguan civil society today. Interviews with donors, which were outside the scope of this study, would help us better understand their funding choices, and more clearly understand the nuances of the NGO–donor dynamic in Nicaragua. NGOs might respond differently to changing donor demands depending on their degree of resource dependence and donor portfolio diversity AbouAssi's (2012) study of Lebanese NGOs provides an important framework for this type of study.

Our study suggests modern NGOs have an important role to play in contemporary societies. They can serve as facilitators who can inform and assist the grassroots but—and this is the crucial point—not claim to represent or lead them, and certainly not overshadow them. As even an outspoken Nicaraguan critic of NGOization, like William Grigsby, notes, "It is undeniable that without the NGOs' "professional" work it would have been difficult for certain sectors of society to learn about the true implications of issues such as the Central American Free Trade Agreement (CAFTA)" (2005, p. 23). Like the impact of CAFTA, there

are many technical issues where NGO experts may be able to contribute their knowledge and professional capacity to grassroots organizations and the media. For example, human rights organizations like CPDH and CENIDH can remain as critical watchdogs for abuses and provide legal counsel to social movements, IPADE can contribute its specialized knowledge in elections monitoring, and Centro Humboldt can continue to investigate the environmental impacts of proposed policies, and so on. On a local level, they can continue to run—and focus more on—those workshops that give citizens the tools to organize, access, and make demands of government. In other words, NGOs should see themselves as supporting, not leading the grassroots and social movements.

As Pearce (1993) noted presciently almost two decades ago, "constructing civil society cannot be essentially about building up intermediary development organisations to represent the 'poor': it must be about empowering the poor and enabling them to fight for their own rights as citizens" (225). Nicaragua's experiment with NGOization has shown that intermediary development organizations like NGOs, despite modest successes, are vulnerable to respond to donor pressures by promoting a misleading façade of civil society. NGOs have formed a grass-without-roots civil society, which despite its glossy appearance in publications, appears woefully inadequate to summon the "social force" (Pérez-Baltodano 2006) needed to solve Nicaragua's increasingly dire need for structural change.

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