The Role of the Nonprofit Sector Amid Political Change: Contrasting Approaches to Slovakian Civil Society

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Abstract:
This paper focuses on the role, functions, and activities of the nonprofit sector in Slovakia from 1993 to 1998 during a critical time in the country's development, using Salamon's classification of the sector's relationships with government as opposition, partner, or agent. Relying on personal interviews with participants and observers, the paper examines two key political events to illustrate these issues— the debate about the proposed Law on Foundations, and the 1998 Parliamentary elections.
KEY WORDS: Slovakia; civil society; nonprofit sector; government–nonprofit relations; political role of nonprofits; democratization.

Article:
INTRODUCTION
Following the dramatic collapse of Communism and the development of democratic systems, the central governments of Central and Eastern Europe established new structures and relationships with the nonprofit sector and nongovernmental entities, including new economic institutions, charitable agencies, labor unions, and ethnic and religious organizations. At the same time, Western governments and private foundations made a substantial investment of funds intended to promote the development of civil society in the region, usually through the support of nonprofit organizations within these new democracies. The patterns that developed and the lessons learned are important to examine, given the emergence of new democracies in neighboring regions since the early 1990s. The road to democracy has not been smooth for many countries, and the appropriate role of the nonprofit sector in particular is a difficult one for many to agree upon.

This paper examines the formative stages of government–nonprofit relations in the Slovak Republic at a critical moment in its development, following the separation from the Czech Republic in 1993 (as a result of the so-called "Velvet Divorce"), through the aftermath of the fall 1998 election. With the strong external and internal pressures to democratize rapidly and include nongovernmental organizations (NGOs) in the process, concern grew in the mid-1990s about the appropriate role of the nonprofit sector in Slovakia, as well as other democratizing nations (Malova, 1997). We use Lester Salamon's framework (Salamon, 1995) on the roles of the nonprofit sector to examine the different perspectives of the government and its opposition. Our reliance on interviews with key participants and observers in the nonprofit and government sectors offers a strong basis for analyzing this process of change.

Despite a rich history, strong international support for democratization and civil society, and a relatively smooth transition to new economic and political structures, during this period Slovakia's central government and its political leaders displayed ambivalent, and often negative, attitudes toward the nongovernmental sector and its leaders. In turn, many of the active nonprofit organizations openly criticized and opposed the government in power, and ultimately in 1998 contributed to the defeat of the government coalition. The research questions for

this paper are: How did nonprofit organizations interact with the government? Are the roles of government opposition, agent, or partner in evidence? What explains the observed patterns of government–nonprofit relationships? To what extent did government policies constrain or influence nonprofit operations and activities? Was the nonprofit sector involved in politics, as some government officials have charged?

Before answering these questions, however, we frame them within a broader comparative context of democratization and civil society, using Salamon's classification to suggest three possible roles—opponent, agent, or partner—for the nonprofit sector in the Slovakian case. Then this paper summarizes the history, the process of democratization in Slovakia, and recent political issues as a backdrop to understanding the relationship between the government and nonprofit organizations. The main part of the paper reports on interviews with government, foundation, and nonprofit leaders in Slovakia, for their version of government–nonprofit relationships. The questions raised are: Do they see the interactions as controlling, supporting, or ignoring NGOs? How do they rate the health of the nonprofit sector, and the role of NGOs in the democratization process? The primary cases for analyzing these issues are a controversial foundation law enacted in 1996 and the 1998 Parliamentary elections, both of which illustrate the political and social tensions inherent in government–nonprofit relationships.

CIVIL SOCIETY IN DEMOCRATIZING SYSTEMS

The concept of civil society has become increasingly central to scholarly and public policy discussions of democratization, whether in post-Soviet systems in Central and Eastern Europe, or in postmilitary regimes in Africa. It has had enormous rhetorical, symbolic, and political value, especially before and after the demise of Communist systems. Most observers believe that a pluralistic society can only be successful as a democracy in the long run when healthy independent organizations (e.g., political parties, nongovernmental organizations, and business associations) serve as mediating structures between government and the citizens (Bernard, 1993, 1996; Diamond, 1999; Foley and Edwards, 1996). As Diamond (1994, p. 5) argues:

Consolidation of democracy will be impossible if a civil society is not established. Democracy will be successful only if the civil society adheres to institutionalization, is resourceful and pluralistic, exhibits harmony in its interactions with the state and correlates cooperation and independence, confidence and skepticism, civility and assertiveness.

Whether (and when) emerging democracies can fulfill these multiple criteria in a single state is an open question, even over a decade after the demise of Soviet-style communism.

While scholars debate various aspects of its components and development, civil society is usually understood as including the set of civic, social, political, religious, and economic associations and relationships that lie between the state's domain and the family and individual domain. These groups and organizations, which reflect pluralistic values and interests, are considered to be in the domain of civil society as long as they are relatively free from governmental control. While civil society, it could be argued, is a broader term, including trade unions, political parties, and the free media, for purposes of this paper, we use the terms "nonprofit sector" and "nongovernmental organizations" here interchangeably to refer to the wide range of private organizations (including philanthropic foundations, research organizations, charitable agencies, professional associations, and interest groups) that cannot be considered part of the governmental (state) or business (market) sectors. Both informal and formal organizations can be included in this category; however, our focus is on formal organizations that have some institutional characteristics, such as structure, leadership, meetings, registration, and bylaws.

From the literature on nonprofit sector–state relations, in particular the work of Salamon (1995), three somewhat different models or patterns can be seen in democratic systems: (1) the nonprofit sector in healthy, independent opposition to the state's power, producing an alternative set of services and opinions; (2) the nonprofit sector as an agent of the state, such as in producing services on behalf of the government, and largely regulated and controlled by government institutions; and/or (3) NGOs as a partner with government, though not necessarily equal in power or resources, with a high level of cooperation and support, in public policy and

service decision making. Each of these models suggests divergent roles and patterns of behavior by nongovernmental organizations. First, the role of opposition suggests that NGOs are independent watchdogs and critics of the state, with little in the way of direct benefits from the state. In contrast, the role as agent of the state requires compliant, cooperative behavior, often ensured by an array of regulations, reports, and requirements. Finally, the role of partner involves regular communication, dialogue, and engagement in issues, either as a sector, or, more likely, as sets of organizations within particular programs and in policy development and program implementation. While these appear to be distinct and separate patterns of government–nonprofit relationships, we suggest that in a democratizing system, where values and traditions are not firmly established, all three roles can operate in a somewhat confusing interplay of rhetoric and reality.

This paper will demonstrate that in Slovakia, during the 1993–99 period, all three of these roles were recognized and verbalized by leaders in government and the nonprofit sector, though these discussions took place within a highly polarized political conflict. On the one hand, the nonprofit sector's activities were viewed by many scholars and foundations as central to the successful establishment of civil society and a democratic system, due to their role of independent political opposition. On the other hand, the government and its allies criticized this kind of activity, and created and supported organizations that could act as agents of the state. Nonetheless, these NGOs and those in the opposition expressed the desire that under more ideal conditions, the nonprofit sector could become more of a partner in policy development and service delivery with government agencies. Charges of corruption, Western influences, money laundering, and financial opportunism raised public officials' fears about third sector accountability and effectiveness. This issue was highly publicized in Slovakia in 1996, when international agencies and foreign officials (including Hillary Clinton) jumped into the debate over a proposed law changing the regulation of foundations. Many observers saw these efforts of the state as unwarranted intrusions on the independence of the nonprofit sector (Butora and Butorova, 1999), while others in government argued they are necessary accountability methods in a democratic society, in a similar fashion to the nonprofit requirements in the United States and Western Europe (personal interviews).

RESEARCH METHODOLOGY AND DATA COLLECTION
This research project relied on two sets of information sources in Slovakia:

1. structured personal interviews with over 40 foundation and nonprofits leaders, journalists, academics, members of Parliament, and government officials; and
2. newspaper and magazine accounts, government documents, and foundation reports. The structured interviews were conducted either in English or Slovak, by the authors, with representatives of eight funding agencies, four umbrella organizations (each representing a different group of nonprofit agencies), three research organizations, two think tanks, 11 other nonprofits agencies, and three government orparty units (government, opposition). In addition, several university scholars and journalists were interviewed for their perspectives. Most of the formal interviews were conducted in May and June 1998, and May 1999, while the documents and informal interviews were collected over a period of 4 years.

The criteria for selecting organizations and interviewees were to select the primary umbrella organizations in the nonprofit sector, and to obtain information and views from several different types of nonprofits (human rights, local democracy, environmental, women's, and social service). (See Appendix.) We also included some of the major funders of nonprofits (USAID and foundations), party representatives, and the primary unit in the Ministry of Interior that registers nonprofit organizations. In addition, we sought out Slovakian journalists and scholars who connected the wider political, cultural, and historical background of the country to the current issues in the government and nonprofit sectors.

Overall, we experienced a high level of access and candor by the interviewees. As outside scholars, not representing the government or Western funders, we obtained views that appeared generally quite thoughtful and accurate. However, some participants may have tried to make their agencies or role in the government appear either worse or better than they actually were, for political or funding reasons. To overcome this problem,

certain questions were triangulated—information was verified from several sources, from scholars, journalists, and government officials who did not have the same background or stake in the issue. We returned for several more interviews in mid-1999, after the critical 1998 elections, once most political issues were resolved and the new government installed. Having in-country collaborators and language facility also enhanced opportunities to obtain interviews and understand some of Slovakia's cultural, social, and political nuances.

HISTORY AND CULTURE OF SLOVAKIA
Understanding the nonprofit sector and its relationships with government in any country must be understood within its historical, political, social, and cultural background. Despite the long period of Communism, Slovakia did have a history, albeit challenged and interrupted, of voluntary associations and community organizations. Voluntary organizations had developed during the second half of the nineteenth and early twentieth century mainly in towns and cities, and contributed to the democratization of Slovak culture. While traditional charitable and self-help organizations dominated the landscape, others (e.g., educational, religious, and recreational) also flourished (Butora, 1995, p. 14). During the first Czechoslovak Republic, 1918–38, more than 16,000 associations and civic organizations were engaged in a broad range of activities, according to Malova (1997, p. 99), including public activities that "taught democracy step by step" (Butora, 1995, p. 15).

However, the wartime Slovak State and then the communist takeover in 1948 spelled doom for a pluralist civil society and independent associations for the next 50 years. From 1948 to 1989, the country's Communist Party controlled all aspects of social and civic life in Czechoslovakia (made up of Slovakia and Czech Lands). The communist regime introduced compulsory mass participation directed from above, excluded most kinds of voluntary participation in Slovakia, and banned the formation of independent associations. While organizations for youth, women, labor, and peace efforts existed, these were managed by and through the Communist Party. According to Meseznikov (1997, p. 46), "the Czechoslovak communist state of that time perceived civil society not as a partner, but as a rival which undermined the power of the governing regime and threatened the privileged positions of the party nomenklatura. For the Communist regime, civil society was as an unacceptable alternative to its own existence." Only during the Prague Spring of 1968, did civil society reemerge for a short time, with freedom to associate guaranteed in the Action Program of April 1968, only to be quashed within a few months.

The end of the Communist Party's monopoly of power in 1989 during the "Velvet Revolution" was followed by a rapid repluralization of Czechoslovakia's associational, religious, and political life (Wolchik, 1993). Old restrictions were abolished, new political parties emerged, and new laws on associations were quickly adopted. Government policies once again supported decentralization and grassroots activities that led to a remarkable growth of the nonprofit sector as a wide variety of interest groups, labor unions, and charitable, ethnic, and religious organizations were created. By the end of 1996 there were over 12,000 registered organizations in Slovakia. However, even during this period, some political leaders began to view the role of the nonprofit sector, and its foreign supporters, as suspect, hostile, and "antistate" (Meseznikov, 1997).

The creation of the two separate countries—Czech and Slovak Republics—in 1993 through the "Velvet Divorce" resulted in Slovakia's leadership taking a more limited view of the nonprofit sector. The new Prime Minister Vladimir Meciar and his rightist HZDS party advocated slower economic change, a strong centralized role for the state, and controls on nonprofit organizations. Between 1994 and 1998, his government intensified the drive to control public life, including the nonprofit sector (Carpenter, 1997). During most of the 1993–98 era, the Slovakian coalition government, made up of three parties, was held together by the parties' desire to wield power in a nationalistic, somewhat authoritarian fashion, perhaps with a common interest in benefiting from the process of privatization (Carpenter, 1997; personal interviews).

The Slovak political structure has been marked by a high degree of polarization—between Meciar's coalition government and its opposition, which included a variety of political parties, and many scholars and nonprofit analysts (e.g., Butora and Skladony, 1998; Meseznikov, 1997; Miklos, 1997). Thus, the Meciar government in power during most of the period from 1993 to 1998 was characterized by the opposition, the foreign press, and

Western diplomats as antidemocratic, anti-West, and authoritarian (personal interviews). For example, U.S. Secretary of State Madeline Albright called Slovakia "the hole of Europe," as a way to condemn the government leadership and its slow economic and political progress toward democratization (Mason, 1998, p. 6). The government also operated in a more secretive, less transparent, fashion than the opposition called for, especially in its privatization efforts (Meseznikov, 1997; Miklos, 1997).

Krivy (1998) describes Slovakian society also as highly polarized, in a fundamental conflict between urban and rural areas, between the young and old, and between the educated and uneducated population. Prime Minister Meciar had substantial popular support outside the capital city of Bratislava, in the rural and industrial areas of central and eastern Slovakia. These voters, who often were mobilized in large numbers, were slower to leave their traditional and communist past and embrace Western culture and political norms than the more educated, professional, and entrepreneurial middle class of the urban areas.

During the years prior to the 1998 election, the opposition consisted of several parties that were generally unwilling to cooperate among themselves or with the government. The leaders of the largest opposition parties also were not particularly articulate or popular with the broader public, and thus failed to raise the public's level of interest and excitement in political issues in the previous elections. Opposition leaders also failed to demonstrate to the outside world that there was an alternative to the politics of Meciar's regime. It was not until late 1997 that the opposition was able to begin mobilizing Slovakia's human capital in a new direction that they believed was in the country's interest.

THE NONPROFIT SECTOR IN SLOVAKIA
During the post-1993 period, Western funders viewed Slovakia's nonprofit sector as a model of progress in developing a unified and effective sector. Kathy Stermer, chief of the Democracy and Governance Division of USAID in Slovakia, said, "We'd rate the Slovak sector as one of the strongest in the region," in that effective structures developed internally in Slovakia to fill a vacuum left by the parties to get people involved in civic activities. She stated that with talented and well-trained people, the funded agencies were able to prepare quality proposals and manage grant projects more effectively than in other similar countries. "There is more unity here than in any other country, also the most organized leadership, and the sector is effective because of [these factors]" (Stermer interview, 1998).

The Slovakian nonprofit landscape is marked by many types of organizations and services not only in the capital city of Bratislava, but also active at the local level. The primary legal categories are foundations, civic associations, nonprofit organizations, and noninvestment funds (Butora and Skladony, 1998). All of these are bound by separate national laws and central administration reviews that vary considerably in scrutiny by the government. Following the Foundation Law of 1996, many nonprofits changed their legal forms to accommodate the new requirements, such that the 430 foundations are primarily funding organizations, as in the United States. Organizations that provide services, on the other hand, are classified as either nonprofit organizations or civic associations. Some of these are highly organized, federated agencies with professional staffs in several locations, while others are primarily voluntary organizations that operate on a virtual shoestring. The environmental, recreational, and social service organizations appear to be among those that are fairly well established, having been active since (sometimes before) the beginning of the postcommunist period. As of 1999, nearly 12,000 civic associations based on memberships were estimated to exist in Slovakia (Majerova interview, 1999). However, even if active, most of these associations do not charge membership fees for their funding base, but rely on external grants.

The most significant finding of our research on Slovakia was that the polarization of Slovakian society and politics was reflected in the emergence of two different sets of nonprofit organizations—one supported largely by Western funders and allied with the opposition parties, and another less visible set, the so-called "parallel organizations," funded by the government and allied with the HZDS coalition. These parallel organizations are service agencies in areas such as youth, culture, human services, and recreation. Meciar was responsible for supporting (and sometimes creating) many of these "politically friendly" organizations to compete with the

largely antigovernment organizations of the nonprofit sector. While the government ministries relied on this network of nonprofit organizations to implement social policies as agents of the state with public funding, the governmental finances and mechanisms for these relationships were not at all transparent to the public and the media.

Each set of organizations, both those allied with the government and those loosely allied with the opposition, developed national organizations to represent and serve their broader interests. The Gremium of the Third Sector was organized in 1995 by the so-called "independent" sector to represent the common needs of many agencies and foundations, about one third of the registered foundations, most of which did not receive government assistance. While primarily a structure of nonprofit leaders elected to represent the views of regional and thematic organizations, it was also involved in the SOS (Save Our Sector) Campaign, a concerted appeal by the third sector largely opposed to government intervention to fight the draft of the Law on Foundations in 1996, as discussed below. A measure of its success can be seen in it receiving an international award in 1996 for effective organizations in democratization, on the 50th anniversary of the Marshall Plan. In addition, an influential organization that predated the Gremium, SAIA (Slovak Academic Information Association), not only was the secretariat for the Gremium, but also serves primarily as an information, referral, and technical assistance organization for students and the nonprofit sector in Slovakia. Headed by the influential Pavol Demes, a former government minister, it became registered as a civic association and is still largely funded by foreign foundations, as well as modest fees for services and publications.

In contrast, the Union of Civil Associations and Foundations of Slovakia was created and funded by Meciar's coalition government in 1996 (Krivy, 1997) to represent government-funded organizations, and perhaps indirectly to oppose the views of the organized nonprofit sector affiliated with the opposition. It provided leadership, services, and a voice for those agencies providing primarily human, recreational, and cultural services on behalf of the government ministries. This organization also provided Meciar a visible agent to combat the nonprofit sector's public criticisms about the government's inhospitable attitude toward NGOs. According to Ondrej Tkac, the Chairman of the Union:

One could say that the relationship between the state and NGOs could be characterized as permanently contradictory. We try to show that this view is wrong and we started from the very beginning as a serious partner to Parliament, to the government etc., since we are convinced that the government and NGOs have a common goal—to help citizens ... It is our interest to prevent conflicts with government; cooperation is more preferable and we don't act against state administration. This is why we are labeled "pro-governmental" although we only try to be partners to the government. (May I998)

Clearly, in the Slovak system two divergent models of government–nonprofit relationships have been espoused, one by the government, and one by the opposition. The government policies and official pronouncements had a somewhat ambivalent, even confusing, approach to the nonprofit sector, at least at first glance. They generally viewed most nonprofit organizations as threatening, antigovernment, allied with the opposition, and funded by Western foundations and governments interfering in the internal affairs of Slovakia. Thus they emphasized the need to control and regulate them. Nonetheless, with the creation of the parallel organizations, Meciar could argue that he had supported NGOs and their work. This was not merely rhetoric, but, as reported by Krivy (1997, p. 120), an internal HZDS document, "The Main Tasks of HZDS," called for greater cooperation with selected NGOs closely connected with the party.

The preferred model of government–nonprofit relations that government officials appeared to embrace was one where nonprofit organizations were primarily seen as agents of the state with internal support and funding, not as partners with government, or opponents of the state. From the government's perspective, according to our sources, it only wanted to hold nonprofit organizations more accountable through its regulations and policies, and thus reduce the possibilities of corruption that have been reported in other Central European countries. These officials recognized that the most outspoken of the nonprofit leaders were often ex-government officials and party activists who represented the opposition as much as the nonprofit sector itself. That reality, and the fact that these organizations enjoyed a high level of Western support, and very little or no Slovakian funding,

meant that the government was bound to be suspicious of these organizations' goals and motivations in public policy issues.

The nonprofit sector in Slovakia that generally opposed the government coalition appeared to be thriving both financially and programmatically, despite the period of opposition by the government. In fact, several interviewees suggested that the sector may have become especially energetic, active, and well-funded to a great degree because of the well-publicized government efforts that were interpreted as opposing and seeking to control the sector. A large group of highly educated, talented, and Western-oriented people has been involved in the sector. Two types of Slovakian leaders were identified in key nonprofit positions: first, mostly young people who are widely traveled and trained by Western foundations, and who came of age after 1989; and second, experienced, middle-aged intellectuals and party activists who had not been part of the Communist Party prior to 1989, who have found meaningful employment in representing the nonprofit sector both within Slovakia and outside of it (personal interviews).

The role of foreign foundations cannot be underestimated in understanding the development and success of the nonprofit sector in Slovakia during this period. The first wave of funding in the early 1990s came primarily from large American (e.g., Ford, Open Society Fund, Foundation for a Civil Society, Mott), British (e.g., Westminster, Know How Fund), Japanese (Sasakawa), and German (Ebert) foundations. Their primary focus was to support and encourage democratization, usually through the establishment of key organizations that provided research, technical assistance, and training programs. Funding from other governments, such as the USAID and Phare (an arm of the European Union), was also essential to the growth of the sector (Siegel and Yancey, 1992; Wedel, 1998). A second wave of funding, roughly in the mid- to late-1990s, encouraged the established organizations in Slovakia and other Central European countries to plan for greater indigenous leadership, staffing, and funding over the next few years, in an attempt to reduce reliance on outside sources (The Foundation for a Civil Society, 1997; Wedel, 1998). Almost all of the NGOs interviewed for this research received over 90% of their funding from Western sources, except for those affiliated with the Meciar government.

Some of the foundations significantly reduced their presence and support in other democratizing countries by the mid-90s (The Foundation for a Civil Society, 1997). In Slovakia, however, observers suggested that the nonprofits' reliance on foreign funding continued due to the lack of government support, business contributions, and citizen donations (personal interviews). According to USAID's Stermer, "NGO dependence on foreign money is the biggest weakness in Slovakia," and she felt the sector could do more to obtain corporate money (Stermer interview, 1998). Some foundations and nonprofit organizations have tried to educate the public and business community to promote financial and voluntary contributions, but with limited success. Several interviewees stressed that the tax incentives, culture, and traditions of Slovakia have been slow to change, in part due to the government's unsympathetic view of NGOs. As a journalist stated:

Foreign donors are aware that part of their profit is expected to help civil society, but our own entrepreneurs need all the resources for themselves and they don't know that it could be useful to give money to civil society. In addition, we lack legislation that brings benefits for sponsors, tax deductions, and so on. Many entrepreneurs aren't economically motivated to give any money and they don't feel any obligation as citizens to provide help to NGOs. Many rich companies are connected with the present coalition and since the Law on Foundations stipulated the transparency of donations, the companies are afraid to give money to the "wrong" NGO. (Alner interview, I998)

In the following sections, we will discuss the role of nonprofits in two visible public campaigns that were designed by the nonprofit sector's leadership to pressure the government and inform the public of the views of the opposition nonprofits. Not surprisingly, the Meciar government strenuously opposed and attacked these efforts. Nonetheless, both the 1996 SOS Campaign, and the OK '98 Campaign appeared to be effective in shaping public opinion against the ruling coalition government as well as unifying the opposition nonprofits. In addition, these cases illustrate the confusing tensions among Salamon's three roles of government– nonprofit relations, as well as the conflicts that arise in the nonprofit sector as it seeks to find a balance between political activity and partisan control.

THE LAW ON FOUNDATIONS AND THE SOS CAMPAIGN

One of the critical events of the last several years that defined government– nonprofit relations in Slovakia occurred in 1996 with a widely publicized debate over a proposed Law on Foundations. The nonprofit sector mounted a well- orchestrated media campaign, called the SOS (Save Our Sector) Campaign, to educate the public about the law's impact as well as to expose the undemocratic character of the Meciar government. Despite their failure to stop the law's passage, NGOs were united and highly visible during this campaign. Drafted by the government, and approved in 1996 with some modifications by Parliament (e.g., the amount of the required capital or asset base), the law was intended to reclassify nonprofit organizations. It distinguished between foundations that provided funding for other agencies, and those that were primarily service or advocacy organizations.

Modeled after European laws, the primary features of the Law were the following: required registration with and review by the Ministry of the Interior (rather than local authorities, as before); capital assets, or endowment, of 100,000 Slovakian crowns to remain untapped in the foundation; a focus on meeting specific public goals, i.e., not activities exclusively for its members; an annual audit and
report; a primary function of grant giving, due to a limit of 15% of operating expenses for personnel costs; a specific board and organizational structure governing the foundation; and a public record of the donors and founders of the foundation. Of these, critics viewed the endowment as the most burdensome requirement, since many foundations were small and had very insecure funding bases. Those that had large grants from foreign foundations could quite easily qualify for the foundation designation, however.

According to interviewees, including those outside the sector, the government had several concerns that the law was directed at, including the influence of large Western foundations; the proliferation of small foundations and organizations over which they had little oversight, much less control; the possible corruption and money laundering that had been rumored about in other countries, though apparently not in evidence in Slovakia, according to a Ministry of Finance report in 1996 (personal interviews); and the activism of the nonprofit sector and certain democracy-related organizations that were in alliance with government opposition parties. The government argued in public that it was concerned about nonprofit accountability and transparency. However, according to a sociologist who worked for a foundation:

There was no problem of transparency. It is absolutely nonsense. Especially in the foundations funded by foreign donors, there was deeper control than with [our government] ... This fight [to create the law] was only because when the system has problems with its own identity, the only way to identify the system is to find enemies. (Radicova interview, I998)

Those who opposed the law said that the government was trying to limit nonprofit political activities and develop onerous requirements that would at least curb some activities, and at most discourage nonprofit organizations from continuing or forming. In particular, they believed that the government targeted organizations whose programs focused on such activities as civic participation, human rights, democratic education, public policy advocacy, and self-government training. Some activists charged that the law was designed to liquidate most of the foundations to make it easier to control and track the remaining large foreign foundations that provided the overwhelming financial support for NGO activities (Drozd and Jasencakova interviews, 1998). The sociologist quoted above thought that the philanthropist George Soros was the main enemy because of his foundation (Radicova interview, 1998).

Thus, the opponents of the government used this Law on Foundations debate as an opportunity to: energize and unite NGOs against a common enemy; raise the public's awareness about the role and activities of the nonprofit sector; act visibly against the government as opposition without being perceived as partisan; and attract foreign attention and sympathy so as to increase funding and resources for Slovakia's nonprofit sector.

The coalition of NGOs was quite successful in increasing the media coverage about the proposed law, both inside the country, and outside of it, in the West. They brought in some well-known public figures, including

Hillary Clinton and Madeleine Albright, who openly and strongly criticized the government for its proposal (Mason, 1998). The view of the interviewees who rallied against the law was that the sector was well organized and strengthened in the process, despite their ultimate defeat. However, the government hardened its stance against the NGOs engaged in this debate. The government official in charge of registering the foundations in the Ministry of the Interior criticized their actions:

The new Law on Foundations was politically discussed on the streets, though ordinary people do not know its content in detail. They are uselessly involved in politics, signing petitions because they feel no responsibility and it costs them nothing. I think that foundations and civil associations should not involve politics in their activities ... [They] should concentrate rather on culture, charity, education, science, sports, etc. (Majerova interview, I999)

In hindsight, the debate did indeed accomplish the results intended by the law's opponents, according to many observers in Slovakia. As USAID's Kathy Stermer said, "The law didn't have the chilling effect they feared, but instead [the controversy] created more public support" (Stermer interview, 1998). Several interviewees in nonprofit foundations and agencies admitted, some rather reluctantly, that their foreign funding increased as a result ofthe campaign. Many agreed that the energy and visibility of the nonprofit sector in Slovakia has been a major benefit of the foundation law controversy, even though the sector did not defeat the passage of the law. In addition, this model of cooperation and success in the sector was repeated in later activities and especially in the more political OK '98 Campaign.

Other expected effects of the registration law itself included a reduction in the number of foundations, from an estimate of 2,600 in 1996 to only 430 in 1998. Thus, many small organizations that were inactive or of questionable value disappeared, by not getting registered, while approximately 300 converted to another registration category of civic association that did not require an endowment, the required structure, or an annual registration and audit. Several interviewees suggested that the Ministry of the Interior, which is responsible for the registration and review process, have scrutinized the applications of democracy and human rights foundations more closely for compliance than others, and requested additional information prior to approval possibly to intimidate these organizations. While well-staffed and funded organizations did not find the new law's paperwork requirements very difficult, smaller, less professionalized agencies that did not have external sources of technical assistance did complain that it was quite complicated and confusing. Others stated that many small foundations located in more rural communities were unable to qualify as a foundation because of no ongoing capital base, or endowment, and thus disbanded, even though they were effective. However, overall the dire consequences predicted by the law's opponents were not realized.

THE OK'98 CAMPAIGN
The OK'98 Campaign, which operated during the Parliamentary elections of 1998, was initiated by a group of Slovak and Western NGO leaders representing organizations active in the field of civil society and democracy building. The campaign originated in an informal meeting during the fall of 1997 with representatives of foreign and domestic foundations that supported the democratization process in Slovakia, such as the Mott Foundation and the Foundation for Civil Society. The espoused purpose of the Campaign was to increase public participation and education and ensure free and fair parliamentary elections in September 1998. The subtext of this group no doubt was to help defeat the Meciar government to bring about an open and democratic political system more favorable to the public policies and preferences of these organizations and Western governments.

This Campaign, though created by an impressive network of professional NGO staff, also mobilized an unprecedented number of NGOs at the grassroots level to fulfill three broad goals: to inform voters, to increase voter turnout, and to monitor the elections. The effort was organized by 58 Slovak NGOs that cooperated to prepare 63 projects, such as "Rock the Vote" to mobilize the youth vote; TV sports produced by "Head '98," whereby popular singers and personalities addressed young people with the message "I vote, therefore I am," encouraging first- time voters to vote; and "OKO '98" to monitor the administration of the elections (Demes, 1998). The productions, advertisements, brochures, and staged events were among the most professional and creative ever seen in the country (personal interviews).

This multifaceted campaign could not have succeeded without the central role of the Donors' Forum, an informal group of funding agencies primarily financed by Western governments and foundations. It was the Forum, through the individual foundations it included, that coordinated the process of inviting, reviewing, and routing funding requests for campaign activities through a single grant application process. They responded rapidly to requests for funding from small NGOs throughout the country that needed money to put on events or pay for media spots. Several interviewees gave most of the credit to the Forum in making the Campaign successful.

This Campaign, and most of its components, made a concerted effort to draw out the young, educated, first-time urban voters, who, it was calculated, would vote for the opposition parties, thus overcoming the strength of the rural population still loyal to the ruling Meciar government. The success of these activities is evident in the high participation of first-time voters—approximately 80% turnout (Butora and Butorova, 1999, p. 88). As Pavol Demes of SAIA and the Gremium of the Third Sector argued, it was the nonpartisan efforts of the NGOs that helped to get the vote out and positively influence the democratic political process in Slovakia (Demes, 1998).

Indeed, all interviewees agreed that the turnout and outcome were a clear measure of success, though some stated that the level of cooperation and coordination at times had been seriously in doubt. Disagreements arose among the major participants about the degree of political and partisan involvement that should be allowed in the Campaign run by the NGOs. In particular, American foundations and foreign governments that assisted the effort emphasized the need to remain nonpartisan, which was basically defined as not endorsing or appearing to support any political party, candidate, or coalition. Some members of the campaign coordinating committee wished to promote particular candidates and/or the opposition coalition's efforts as much as possible to ensure that Meciar and the HZDS would be defeated. And while these disputes surfaced in several areas and created ongoing tensions, most interviewees agreed that the discussions were fruitful and necessary to the development of the campaign and the future of the sector. As a Donor's Forum participant said, the "toughest discussions" were about partisanship, "because it was never defined before, the very fine line between the partisanship and explaining to people about voting ... We had to explain where you are crossing the line and what you cannot do, what are the things you can actually do." The Western foundations and USAID were quite helpful in shaping these discussions, though some NGO leaders still believed that Slovakians had to be told how to vote.

THE RESULTS OF THE 1998 ELECTION
The election of September 1998 was a critical turning point in the development of the nonprofit sector when Meciar and his HZDS coalition were replaced by a coalition government made up of some of the former opposition parties (Slovak Democratic Coalition, the Party of the Hungarian Coalition, and the new Party of Civic Understanding). The success of the OK '98 Campaign that many nonprofit sector organizations participated in was realized in voter turnout figures. Although Meciar's HZDS party by itself received the largest percentage of the votes cast, the governing coalition that emerged in a postelection agreement included the three opposition parties mentioned above, plus the Party of the Democratic Left (SDL). Led by Prime Minister Mikulas Dzurinda, this coalition set about to change both the image and the policies of the Slovak Republic. First among its goals was to obtain membership in both the European Union (EU) and North Atlantic Treaty Organization (NATO).

By mid-1999, several clear changes were visible on the Slovakian nonprofit scene, largely as a result of the election and the new government. First, some of the parallel organizations created by Meciar were no longer in operation or had changed their names, according to our sources. The umbrella organization, Union of Civil Associations and Foundations of Slovakia, had closed its headquarters, and its director was no longer employed there. Second, the unity and cohesion of the leading opposition-affiliated nonprofit organizations was beginning to weaken, both as a result of conflicts over partisanship that developed during the campaign, but also because of the loss of a common enemy. For example, the ecology organizations pulled out of the Gremium of the Third Sector, the NGOs' advocacy organization, saying that it no longer represented them (Zajac, 1999). Third, some human rights and democracy organizations lost their Western funding. One agency involved in local democracy

development, which had employed almost a dozen young people in 1998, was closing down as we interviewed its director in May 1999. Obviously, the change in government and the political environment was a mixed blessing for certain nonprofit organizations.

Fourth, some of the NGO leaders expressed disappointment in the slow pace of change by the new government, and in particular, were also dismayed by the lack of access and sympathy that they received from public officials, despite their efforts in 1998 to generate votes and support for the successful parties. Their expectations for a partnership role with the new government were generally not realized, according to some of the interviewees. Their hopes for changing the tax and foundation laws promptly were disappointed. Apparently the weak economy and the demand for entrance to the EU and NATO were more critical issues for government officials to face immediately than other public policy changes that would benefit the nonprofit sector.

Finally, the nonprofit sector clearly was rethinking its role in Slovakianpolitics and governance. As one agency director said:

[B]efore the elections, there was all this huge action, tension, excitement, and hope. And when the elections came and something happened, I think people just didn't know what to do with themselves for a little while ... Now you see a lot of NGOs going in different directions ... NGOs are rediscovering what their role in society is. (I999)

According to USAID's Stermer, NGOs were redefining their expectations about the government as well: "They used to be on the front lines of criticizing the government, but they are trying to figure out how to fit in now" (Stermer interview, 1999).

CONCLUSIONS

One of the most important observations of this research was the polarization of the Slovakian political scene with a clear split between the nonprofit organizations allied with the HZDS and the coalition government versus those allied with the opposition parties and their leadership. Their conceptions of the appropriate relationship between the government and the nonprofit sector were markedly at odds, and illustrate Salamon's classification of the three possible relationships between government and the nonprofit sector (Salamon, 1995). On the one hand, the Meciar government's model was based on wanting the sector to be an agent of the state, especially in providing supportive services for individuals, families, and communities. The evidence for this is found in two overlapping areas—the legislative framework for nonprofits and financial support only for politically affiliated agencies and activities. On the other hand, the nonprofit opposition's ideal model appeared to be one of desiring to be a partner with a sympathetic government, but it behaved at that time as an independent opponent of government actions. The two sides differed over the role of government ministries in funding worthwhile activities and reviewing nonprofit agency internal structure and activities, as well as disagreeing about the appropriate role of foreign organizations in training, supporting, and funding Slovakian NGOs. Interestingly, both sides accused the other of playing politics inappropriately by involving nonprofits in political and partisan issues. The leaders of the antigovernment campaigns, for example, believed that their NGOs were acting in a nonpartisan fashion by supporting the democratic coalition; quite naturally government coalition leaders had the opposite view.

The two campaigns that the Slovakian NGOs engaged in during the late 1990s thus illustrate the tensions and difficulties of the three types of roles that the nonprofit sector can play in a democratizing country. The nonprofit sector's decision to be involved in these very visible and political campaigns had some important consequences. In a strange irony, it "lost" the SOS campaign, yet, as a result, strengthened its unity and financial position. However, in "winning" in the subsequent electoral OK campaign, the sector sacrificed its unity and lessened its visibility in Slovakian society.

The Slovakian nonprofit sector's discussions about political activity and nonpartisanship that emerged in the second campaign are critical for NGOs throughout the world to engage in when considering their role in public policy and elections. While scholars continue to discuss the importance of civil society, and NGOs, we do not

yet have a blueprint concerning the most appropriate role for the nonprofit sector to play in supporting and encouraging democratization. This case illustrates the confusing development and disagreements about the appropriate role ofNGOs in any society. There was little consensus in Slovakia about how government–nonprofit relationships were to develop even after the 1998 election. What emerged in Slovakia at least, was a very public discussion of these issues, while in many countries this discussion may be overwhelmed by immediate pressures to institutionalize political, economic, and legal structures and reforms. What remains to study in a more rigorous comparative framework is whether in systems where these issues do not reach the public agenda, certain patterns emerge nonetheless—and still contribute to a healthy development of the nonprofit sector, or if, on the other hand, the nonprofit sector is stymied or inhibited from contributing to the process of democratization. We have learned from this research effort that it may be too early to characterize these roles as a single pattern of either opponent, agent, or partner in any system where external and internal political forces are still in a state of flux.

APPENDIX
Interviews with representatives of foundations and nonprofit organizations in Slovakia:

ACDI/VOCA
Alliance of Organizations of Disabled People in Slovakia Alliance of Social Democracy for Women Association for Support of Local Democracy
Center for the Analysis of Social Politics (SPACE) Center for Economic Development
Children of Slovakia Foundation
Donors' Forum
Foundation for Support of Civic Activities (NPOA) HELP Foundation
Institute for Public Affairs
Milan Simecka Foundation
NOS/Foundation for Civil Society
Open Society Foundation
Sasakawa Central Europe Fund
Slovak Academic Information Association (SAIA) Slovak Union for Peace and Human Rights
Slovakia Catholic Charities
Slovak Humanitarian Council
Society for Sustainable Living in Slovakia
The Foundation for Training in Self Government of Slovakia Union of Civil Associations and Foundations of Slovakia Union of Slovak Women

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Alner, Juraj. Journalist, *Narodna Obroda*; Bratislava, Slovakia; June *1*, 1998.
Demes, Pavol. Executive Director of SAIA; Bratislava, Slovakia; May 21, I999.
Drozd, Josef. Chair ofthe Board ofthe Union forPeace and Human Rights (NGO); Bratislava, Slovakia; June *1*, I998.
Jasencakova, Lenka. Program Officer, Foundation for Civil Society; Bratislava, Slovakia; May 23, I998.
Kalas, Daniel. Executive Director, NOS, Bratislava, Slovakia; May 20, I999.
Majerova, Zuzana. Director of the Department of Registration of Civic Associations and Foundations, Ministry of the Interior, Slovak Republic; Bratislava, Slovakia; May 2I, I998; May 22, I999. Radicova, Iveta. Director of SPACE, Bratislava, Slovakia; June *1*, I998.
Stermer, Kathy. Chief, Democracy and Governance Division, USAID—Slovakia, Bratislava; May 22, I998; May 20, I999.

Tkac, Ondrej. Chair of the Union of Civil Associations and Foundations; Bratislava, Slovakia; June 2, I998.
Zajac, Marcel. Program Director, Foundation for Support of Civic Activities (NPOA); Bratislava, Slovakia; May 2I, I999.

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