



Three Ways to Strengthen Nonprofits: Lessons from Abroad

As a recent report makes clear, we have much to offer and much to learn from nonprofits around the world.

A recent report on the post-communist nonprofit sector holds both good and bad news. It sheds light on ways we can work with this important sector in Central and Eastern Europe and the former Soviet Union, what we can offer its emerging leaders, and what we can gain from its examples. It makes clear that non-governmental organizations (NGOs), as the region's nonprofits call themselves, have a long way to go—and also a great deal to teach all of us. Their struggles remind us of the philanthropic tradition we sometimes take for granted and the underpinnings without which our efforts cannot hold.

The post-communist nonprofit sector is undergoing dramatic changes. Privatization of the economy has provided opportunities for some, yet led to suffering for others. The shutdown of some state-controlled enterprises and the erosion of pensions and safety nets, caused in part by high inflation, have had adverse effects—chiefly on the elderly, minorities, and the structurally unemployed.

Yet many communities in this area don't have NGOs to provide necessary resources and services. Therefore, in addition to supporting the development

of leadership in the nonprofit sector, another strategy for strengthening and sustaining the sector is to seek ways to support the start-up and expansion of private philanthropic activity.

The legacy of enforced “volunteerism” and “charitable giving” during the communist era suggests that any prescribed or outside-influenced plan for increased giving may fall on deaf, if not resentful, ears in these transitioning societies. Thus, it's important that efforts to stimulate charitable giving and volunteerism be of an enabling nature, and be driven and owned by indigenous interests.

In its report, the Mott Foundation suggests three main ways to build philanthropy:

1. Stimulate Community-Based Foundations.

Community-based foundations can address many issues related to a community's healthy development. Such founda-

tions can stimulate local efforts, target local needs, and provide avenues for individual and institutional giving. They can also advance partnerships of local government, businesses, and nonprofits.

One regional effort to encourage philanthropy and support citizen-based NGOs is the Environmental Partnership for Central Europe (EPCE). Founded in 1991, EPCE has received support from the German Marshall Fund of the United States (which has administered the program), the Rockefeller Brothers Fund, Mott, and other funders. EPCE aims to create a framework for common projects in the Czech Republic, Hungary, Poland, and Slovakia, focusing on environmental projects, such as developing greenways, trails, and tourist routes.

The need to promote local initiatives and local funding is paramount because the future of foreign support is unclear, and East-East partnerships gradually are replacing West-East arrangements.

“People in this region don't have vision; they don't know how to create vision.”



Developing solid, “bottom-up” structures is a rich and promising field, says Juraj Mesik, director of the EPCE Slovak office.

“People in this region don’t have vision; they don’t know how to create vision,” he says. “Community philanthropy may be the most important answer to the challenge of the sustainability of the nonprofit sector—certainly in Slovakia, maybe in all of Central and Eastern Europe.”

On a more local level, the Healthy City Banska Bystrica Foundation in central Slovakia makes small grants for local environmental, neighborhood, and youth projects. Before 1994, the foundation had tried to prepare and execute projects itself. That changed, however, after experiences such as in 1993, when it planned to build a playground for the children of a grim housing estate on the edge of the city.

The foundation expected residents of the Sasova estate to join the project, contributing time and work to erect the playground. Local children contributed their ideas of what the playground should contain through a picture competition, and an architect produced the design free of charge.

All that remained was for the parents of the children who would use the playground to help build it. They didn’t pitch in, and the playground remains unfinished to this day.

After that failure, the foundation, with the support of city authorities and a Mott grant, transformed itself. Today it has become “a tool for the support of those projects which come from the initiatives of the citizens themselves,” according to its annual report.

As such, the foundation has served as a pioneering model for the growing number of community foundations in the region. Following its example, other NGOs are being transformed into community foundations as more effective vehicles to tackle local social and environmental needs.

The need for community foundations is clear. Every country in the region is characterized by bleak housing estates, industrial pollution, urban neglect, and indifference.

Efforts to promote local philanthropy, however, run into the barrier of ignorance of the concept. During the Soviet era, a whole social class of potential or actual benefactors was destroyed, and traditions of philanthropy in the region were





curtailed. Therefore, the understanding of philanthropy has had to be rebuilt from scratch.

Beata Gasparcova, director of the Healthy City Banska Bystrica Foundation, tells the story of approaching a local businessman to contribute funds. He agreed, but only on condition that he would effectively own the foundation, change its statutes, and put his own people on its board.

“We didn’t know how to go about raising funds,” Gasparcova says. “We have to learn, and those approached also have to see that it’s normal.”

As community-based organizations that provide social services, employment training, and jobs in areas of central Hungary, the United Way of Hungary offers a proven example of how community-wide fundraising can work in a post-communist country, strengthening local democracy and the nonprofit sector at the same time.

“If we were not there in the communities, there would be no one to serve these people,” says Tamas Lovassy, executive director of United Way of Hungary. “It is not alien for a man to help another, and it works.”

2. Promote Volunteerism.

The backbone of the nonprofit sector as a whole is volunteers. But in a region in which unemployment levels frequently exceed 20 percent, the concept of volunteerism may seem in bad taste. Furthermore, the legacy of communist-era practices of enforced “voluntary” work has left its mark and made it difficult to recruit volunteers.

As already noted, the Healthy City Banska Bystrica Foundation learned this lesson the hard way when it tried to get parents to help build the playground in the Sasova housing estate. This failure was symptomatic of the problems in Banska Bystrica. In general, residents were discouraged, and very little was being done to improve neighborhoods.

The first success story came about because two couples with young children heard about the foundation’s new challenge grant program, in which the foundation would match money put up by residents for neighborhood improvement projects.

From their neighbors and their own resources, the two couples were able to raise 8,000 crowns (\$250-\$275), which the foundation matched, and the couples were encouraged to go



The 13 Most Important Lessons Learned

These lessons learned by the post-communist nonprofit sector in Central and Eastern Europe and the former Soviet Union provide important guidance for us all. They will become increasingly vital in the years ahead.

1. Focus on projects that come from the initiatives of the citizens themselves. Look for a need and fill it.
2. Work on creating partnerships among local government, businesses, private citizens, community foundations, and nonprofit organizations.
3. Don't let different languages or unfamiliar vocabularies keep you from reaching out to those of other cultures. The words may not be the same, but the concept of caring and working together to help those in need is universal. And different perspectives can give you valuable new ideas.
4. Develop good relationships with community resource organizations. They can help you maximize volunteer contributions.
5. Look down the road so that you know not just current and emerging trends but those that will transform your environment years from now.
6. Do all you can to help develop the leadership capacity of your clients, employees, collaborators—everyone with whom you work.
7. Along with other nonprofits, hold seminars for corporate leaders to explain how good citizenship can help business.
8. If you want people to work hard for a project, be sure they “own” that project by being part of the planning.
9. Never underestimate the key function of a leader with vision. Little success can occur without such a person to serve as a role model and lead the way.
10. Never underestimate the crucial importance of education—for you, your employees, potential donors, funders, and the public.
11. Open lines of communication, embrace diversity, and take advantage of people's desire to cooperate with one another.
12. Think globally; act locally. Reach out to others around the globe whose interests match yours. But begin your efforts locally, looking for local enthusiasm to meet local needs.
13. Remember that giving begets giving. Publicize examples of how donated time and money have led to positive results. The more success stories they hear, the more people will be willing to give.

to other potential sources of funding in the private and public sectors. They ended up raising a total of 30,000 crowns (\$1,000), which went for playground equipment, and a neighborhood park for children was built mostly with the help of volunteers.

The model was so successful that the foundation replicated the process four times, in each case making 8,000-crown challenge grants to help residents improve their neighborhoods. As Gasparcova says, the program has encouraged an increased spirit of giving and helped leverage other sources of funds. It has also created partnerships among private citizens, businesses, government, and the foundation.

Because foreign donors are frequently too distant from the targets of their funds, resource centers and locally based organizations to train both trainers and volunteers take on an increasingly vital role in providing services tailored to local needs.

“In the previous system, the meaning of words and phrases like ‘social work’ or ‘activist’ were totally destroyed,” says Pawel Jordan, director of the Support Office for the Movement of Self-Help Initiatives (BORIS) in Poland. “People from the [Communist] party or the regime used [those words] for their goals. We needed new words, new phenomena. People must think of organizing themselves; the state can't always help you.”

The strong traditions of the Catholic church in Poland, compared with other countries in the region, may have given Poles a better acquaintance with and understanding of charity and altruism, but they still needed to be organized.

“We thought there were people who wanted to be volunteers, but there were no structures,” Jordan says. “Without them, you can forget about drawing more and more people into the sector.”

His resource center created a volunteer center to prepare both coordinators of volunteers and the volunteers themselves. It proved to be such a success that it was split off from BORIS to become a self-standing entity.

“We wanted to involve normal people who want to do something useful and help others,” Jordan says, “and who do not want to be lonely, who want to make new friends and face new challenges.”

*“We didn't know how
to go about raising funds.
We have to learn.”*



*The concept of volunteerism
may seem in bad taste.*

The center in Warsaw provides 20 hours of training for potential coordinators of volunteers. Fears that few people would come forward proved wrong. In fact, one concern now is that organizations who take in volunteer workers burn them out.

"We have to organize the local community to mobilize the people," Jordan says. "It's a question of changing the institution rather than introducing volunteerism."

3. Build Corporate Philanthropy.

Building corporate philanthropy in Central and Eastern Europe is a long and hard struggle to find and educate donors. "We don't really have donors yet. There are more [companies who set up their own] operational foundations with their own programs," says Helena Ackermanova, coordinator of the Czech Donors Forum, established in 1995. "But foreign support is sooner or later going to dwindle or be phased out. We have a responsibility to see what is coming so that it doesn't all come to nothing."

The Czech Donors Forum aims to monitor shifts in donor strategies and help create a base of corporate donors with sustainable, long-term plans. The first step is education, so the forum holds seminars on corporate citizenship, explaining the business case for philanthropy and technical, legal issues.

Progress is being made, and more and more firms are showing an interest in giving. Many inquiries to the Donors Forum are made by public relations companies on behalf of clients who are aware of the possibilities of sponsorship but know little about the nonprofit sector.

"They are eager to learn. They're searching for contacts and knowledge," Ackermanova says.

Fear, emotion and shame, not just altruism and certainly not a desire for publicity or power, prompt corporate philanthropy in Russia, according to Olga Alexeeva, deputy director of the Charities Aid Foundation-Russia. In 1994-95, as Russian companies began to make huge profits, thanks partly to huge tax loopholes, they also began making donations to charitable or civic associations, concentrating mainly on social support groups. Their motives included the fear that large numbers of disgruntled poor or socially deprived people could form the base for the next revolution, and shame at the corrupt ways they had amassed large amounts of cash. Over the next two years, however, the situation changed as tax laws were tightened.

"Companies had to think about every ruble they gave away. Now, they give much less and want their donations to be focused on specific things," Alexeeva says. "Western companies in Russia give for the publicity it can generate. Russian companies are the opposite. They often want to be anonymous, and divide their giving between sponsorship and charity."

Most banks in Moscow have set up charitable departments and, once they can reconcile the concept of giving with their business preoccupations, bankers can be generous donors. The feel-good factor applies.

"They're not angels—they play with dirty money and they can feel criminal just to act like a bank," Alexeeva says. "They come back to their roots by giving.

It helps them be like their family and old friends, not just moneymakers."

The Long Road

Many of these efforts to build philanthropy are in their infancy, and the road ahead appears difficult. Mistrust or ignorance of the principles and aims of community and corporate philanthropy still have to be overcome. But in many cases, projects with good prospects for sustainability have taken solid root, thanks in large measure to the leadership emerging in the region.

We can't afford to ignore these efforts to build philanthropy on the other side of our globe. Reinforcing their nonprofit sector strengthens our own. More and more, we will be partnering with NGOs to send our messages abroad and to build a nonprofit sector that's powerful, united, and truly global. ■

Selected References

- Kretzmann, John and John McKnight, *Building Communities from the Inside Out*.
- Lauer, Larry, "Nonprofits Going Global: Opportunities and Problems from a Communicator's Perspective," *Nonprofit World*, November-December 1995.
- Levchenko, Yelena, "Journey into a New Nonprofit Sector: Notes from Belarus," *Nonprofit World*, January-February 1997.
- Mosher, Bill, *Visionaries*.
- National Civic League, *The Community Visioning and Strategic Planning Handbook*.
- Weisman, Carol, "The Care and Nurturing of Corporate Friends," *Nonprofit World*, January-February 1996.
- Wilder Foundation, *Collaboration: What Makes It Work*.

These publications are available through the Society for Nonprofit Organizations' Resource Center. To order, see the Society's *Resource Center Catalog*, included in this issue, or contact the Society at 6314 Odana Road, Suite 1, Madison, Wisconsin 53719 (608-274-9777).

This report is courtesy of Mott Exchange, the newsletter of the Charles Stewart Mott Foundation, 1200 Mott Foundation Building, Flint, Michigan 48502-1851. To link with any of the NGOs mentioned here, please contact the Mott Foundation.

Nonprofit World • Volume 16, Number 1 January/February 1998
Published by the Society for Nonprofit Organizations
6314 Odana Road, Suite 1, Madison, WI 53719 • (800) 424-7367