

The role of the civil/nonprofit organizations in building local democracies

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Introduction

The state and local government actors play an important role in the local development; they ensure the legal framework to the realization of the goals. But the key actors of the development are those local actors, who can promote the development through their activity.

The main role of the transition countries in the almost past two decades is the learning of democratic and decentralization processes, this type of learning is still in progress. In this type of learning the civil/nonprofit¹ organisations have important role. On the one hand they can shape communities; on the other hand they can contribute to realizing the development goals and to satisfy the local needs. Because these organisations are close to the citizens during their activity, they are informed on the local needs, and they can relay them to the decision makers.

The aim of my paper is to show what kind of roles do the civil/nonprofit organisations have in the local democracies, how can they participate in local communities. On the basis of a survey made in a Hungarian region during 2007 I would like to answer the following questions: How do the participation forms of the civil/nonprofit organisations appear in the practice? How could be the organisations involved in shaping their community and the social and economic processes? What kind of role do they have in the local democratic processes?

The economic and social importance of civil/nonprofit organizations

Civil/nonprofit organizations can join in economic and social operations in submarginal spheres for market-oriented organizations, as they primarily contribute to social welfare by *producing social goods*. The production of these goods doesn't belong to lucrative attempts, so the state and the market can't meet the occurring special demands, so there is a demand for

¹ In my study I use the terms civil and nonprofit as the followings. In the theoretical chapters I use the civil/nonprofit terms to designate the organizations, since we cannot make a perfect distinction between the civil and/or nonprofit organizations in the theoretical assumptions. It is much harder in the foreign literature where the citizen's participation and the role of civil/nonprofit organizations often merge. As civil/nonprofit organizations I mean every form of organization which is partly or fully formed spontaneously by citizen's wish to carry out personal, communal or public purposes (Kuti 1998, Bartal 2005). In the empirical chapter I use the term 'nonprofit organizations', because during my research I only examined organizations with legal status thus the subjects of the research were the nonprofit organizations (associations, foundations and quasi nonprofit organizations).

civil/nonprofit organizations who can meet those demands that are higher than the average. „In developed market economies the existence of nonprofit organizations can be explained by the insufficiency of service providers and not by the lack of services” (Csanády 1998, 26). In most cases people distrust yield-oriented service providers; they feel that these organizations exploit their darkness to realize profit, so the majority of people rather utilize the services of nonprofit organizations. The rate of the sector’s *contribution to GDP* isn’t negligible.

The *redistribution role* of civil/nonprofit sector is also important (Kuti 1998), which role is mainly the characteristic of disposer foundations the main task of which is the redistribution of social funds. They can receive donors from any sphere of the society and they can give it to any sphere of the society, so all actors of society and economy come up in both sides, only the money restructures.

The other economic importance of nonprofit sector is that it appears as an *employer* by which it increases labor supply. In Hungary the number of employed by the sector is less than in Western-Europe, but the rate is 2-3% (KSH) and it is continually getting higher, hereby they dispose of a human capital becoming more and more important.

The important, social relevance of the formation of civil/nonprofit organizations is that they open the door to *self-promotion* (Kuti 1998). By forming nonprofit organizations people can state their own demands and carry their points. The state and market sector is not always capable of recognizing those problems with which people have to face every day, and they aren’t always able to meet the occurred and more and more special demands. By forming nonprofit organizations or working as a *volunteer*² in these types of organizations, the people have the chance to solve their problems and meet the occurred demands according to their own ideas as active members of society. Besides all of this „...it also meets a very important moral demand, as it contributes to people’s need to gratify their creative passions, it is also important for them to join in communities to feel useful in their wide and close environment” (Kuti 1998, 164).

When we talk about the role of civil/nonprofit organizations, it is indispensable to emphasize the fact that the sector can be seen one essential element and keystone of *today’s democracies* (Jenkins 1997). In this context the sector encourages the formation of relations between individuals by connecting the individual and common aims, it can control the government’s abuses and it can promote the participation of individuals in the operation of

² One important characteristic of civil/nonprofit organizations is voluntariness which term is interpreted expansively: the most accepted theory is that volunteers work of their own accord and free of charge (Czike 2001).

common level. The civil/nonprofit sector plays an important role in the previously introduced representative, active and participating democracy, its main task is to represent the citizens and by doing so to contribute to the effective realization of democratic processes. However, as I have already referred to it in the previous chapters, the civil/nonprofit organizations can play a really important role in the last two types of democracies to form democracy and development policy. Claus Offe (Offe 1991, 116 – quoted by Pálné 2008, 258) also explains that a developed and well-operating civil society is needed for democratic operation: „...the lack of the complexity of a developed civil society leads to the domination of questions that are enough for conflicts but aren't appropriate for a consensus.” About the role of civil/nonprofit organizations in democracies Kende (1999, 18) says that organizations are one of the keystones of democracies until „...the channels of democratic will-formation are accessible [...], and until the citizens are ready to run the institutions of democracy.”

The role of civil/nonprofit organizations in the local development policy

We can interpret the collaboration of civil/nonprofit organizations in developmental tasks as a complexity of developmental functions, roles and actions. The different literatures define the role and function of organizations in a different way (Kuti 1998, Sebestyén 2001, Stumpf 1999 – quoted by Kákai 2004, Kemény 1997 – quoted by Kákai 2004), from which the division of Kemény László comes the nearest to the topic of the study. The author divides the civil/nonprofit organizations into the following 6 groups: those who take over state tasks; those who collect donations and do caritative tasks; disposers; those who do self-developing and free time activities; those who do settlement developing tasks and tasks regarding provincialism; and those who represent the interests of inhabitants. Based on the division of the author more nonprofit functions can be divided within the sector that can have something to do with development activity.

Partly agreeing with Nizák – Péterfi (2005) and with Pálné (2008), and extending their thoughts, I interpret the role of civil/nonprofit organizations from a developmental point of view as the following:

- 1) There are civil/nonprofit organizations that are close to the political life and this closeness provides the basis for their operation e.g. nominate representatives or in the form of active politics.

- 2) The second group of organizations can be characterized by active participation however it isn't directly a partaker of public authority. Kákai (2004) defines the participation of organizations as the followings: participation in local codification, in the formation of local public affairs and in strategic development. The elements of this division can't be separated sharply in practice; even so I will focus on the details of developmental role further on. I classify the organizations belonging to this into two main groups:
 - a) The aim of the organizations' foundation and the main activity of them have something to do with local development, they directly manage developmental tasks. Organizations belong to this group like settlement developing, economic developing organizations or those civil/nonprofit organizations who manage interest-validation.
 - b) The main scope of activity is not directly the development, but during their operation they manage more tasks that aren't related directly to development.
- 3) The third group of organizations is not a partaker of public authority as well, and they aren't characterized by active participation, so their role in development appears indirectly in the form of community-shaping, opinion-formation or information transfer (communication channel – bridge role).

Based on the trichotomy we can say that almost every civil/nonprofit organization has a role in development processes, even though they don't put an emphasis on this during their activities. In my opinion every nonprofit organization is capable of making steps towards the development of a given territory or settlement, as organizations are able to make such cooperations in local, territorial level that can make a given territory more developed and more liveable.

From the trichotomy of organizations the local development role, which is the topic of this study, is the closest to the second group, and I defined the development political role of these organizations as the followings:

- participation in the work of local governments,
- participation in the origination of development documents,
- the judgment of development documents,
- the accomplishment of development aims,
- the management and accomplishment of investments and projects,

- renovation, maintenance,
- community-building and shaping,
- expression of opinion,
- working as a communication channel (bridge role).

I will test the applicability and the appearance of the above-mentioned roles in practice based on my research conducted among settlement developing organizations in the West-Transdanubian region and by doing so I will either accept or reject my second hypothesis.

The participation of civil/nonprofit organizations in development policy can be interpreted as a kind of paradoxical phenomenon (Boda 2008). In the current economic and social environment decisions are made in a more complex way than earlier times, so local actors are needed for the effectiveness of decision-making as well as civil/nonprofit organizations that can help to untie this type of complexity. The paradox phenomenon is that the complexity increases with the appearance of local actors as the participation of actors requires more time and costs and thereby more actors have to be coordinated. All in all we can say that local actors can have an important role in making legitimate decisions so their participation is necessary since their participation has more advantages than disadvantages.

More authors raise important questions in connection with the role of civil/nonprofit organizations (e.g. Kende 1999, Bóhm 1999), in the centre of the questions is that to what extent the operation of organizations is related to political life and to what extent they differ. This question plays a really important role in case of organizations participating in development processes. According to Kende Péter civil society can't be seen out of politics as the activities of the actors of both civil society and political life interact. The author's opinion about the border-line between the two spheres is the following (Kende 1999, 16): „The difference between civil sphere and the strictly interpreted politics doesn't lie in that civil sphere lives in another nonpolitical life, but on the one hand it lies in that it is in a lower level of institutionalization than the state; and on the other hand it always defines a “common thing” based on some particular [...] approach, and not based on aspects agreed with others.”

In contrast with Kende, Bóhm Antal (1999) sees the political role of organizations in a different approach. He thinks that in developed democracies market, state and civil sector are separable, whereas in those countries where roles aren't clear and the organizations aren't strong enough to represent the interests of citizens the economic and political interest groups can dispossess the operation of civil/nonprofit organizations thus the political participation of organizations may come to the front. To my mind it could be eliminated if organizations

focused on their real founding interests and aims during their operations and didn't let actors participate in the realization of their aims who could call the organization off from its initial aims.

If we see the organizations' participation in development processes from the point of view of political participation, to my mind an approach partly different from the above-mentioned may be necessary. The development of a settlement or territory can't be sharply separated from the ruling party's work; however the participation doesn't focus here on political collaboration but on those democratic processes that give the settlement or territory a lead on effective and successful development in the long run. As a consequence of this organizations participating in development have to cooperate with the actual leadership but not because they agree with political ideologies but because in favor of development they recognize the positive effects of cooperation and they would like to support local development processes by stating their opinion. If participation is based on other aims (e.g. organizations support aims to return to the actual leadership's allegiance), the connection with political life may tighten. In case of organizations previously brought into the first class the cooperation with the political sphere is different, as in this case more tight connections may evolve which may have political strain. In case of organizations operating in the second and third group my point of view detailed in the introduction may proceed.

When analyzing civil/nonprofit organizations from the point of view of development policy it is important to deal with the interpretation of the term local governance. According to Rhodes (1996) the elements of the meaning of governance are the followings:

- it is a broader category than governing control,
- not only state actors participate in the governance but non-state actors as well, so the process in practice contains the network and cooperation of actors,
- non-state actors don't depend on state,
- the process is similar to a game in which the trust of actors is essential.

Local governance can be interpreted as the following: effective governance requires participation that can be realized at local level. According to Anwar Shah (2006) local governance is the changed function of local governments by considering the theory of local governance. The local governments' task here is not only to provide services but they also have to leave ground for the participating forms of democracy and civil dialogue. The

following table compares the old and new type of tasks of local governments. Based on this it can be said that civil/nonprofit organizations are determinant actors of local governance.

1. table

The task-system of local governments in the old and the new type of governance

Old view of 20th century	New view of 21st century
focuses on local governments	focuses on citizen-centered local governance
responsible to the government	responsible to the local voters
it is a closed and slow system	it is an opened, fast and flexible system
high risk avoidance	is an innovative risk-taker under given circumstances
dependent on central directives	it has free determination
restrictive	it builds trust and serves the citizens
it has a bureaucrat and a technocrat approach	it has a participation approach, it ensures ground for citizen and civil dialogue
it has a centralized system	it has a globalized and localized system

Source: Shah 2006.

As a consequence of the above-mentioned governance doesn't only mean the governing of the given territory but also requires wide range of social and economic cooperation. Thus local governance doesn't only mean the development activity of local governmental level (settlement of higher level), but is also includes the connections between local community and the local government (Decentralization and Democratic... 2000).

The 2. table illustrates partly the so far introduced roles, but it also shows new ones considering spatial aspects. Roles are based partly on professional literature and partly on own thoughts as the indication of spatial levels reflects an own opinion.

2. table

The role of civil/nonprofit organizations in development policy in local, territorial and national level

Roles	Local	Territorial	National
the improvement of the quality of decisions	x	x	x
the initiation of legitimating	x	x	x
the initiation of transparency	x	x	x
building relationships among local actors	x	x	
managing relationships among local actors *1	x	x	
contribution to strategies with elements of vision of future	x	x	x
the raise of safety of strategic planning *2	x	x	x
the organization of local actors into communities	x		
they provide an opportunity for people to be felt important	x		
teach the means of interest-validation to citizens within organizational frames	x	x	
building of trust	x	x	x

teach the people how to think in a common level	x	x	
the common development of development alternatives	x	x	
collecting local opinions, ideas for development documents	x	x	
active participation in the working-out of development documents	x	x	
estimate the effects of the planned changes on the involved people	x	x	
participation in the accomplishment of development aims	x		
the evaluation of development processes	x		
communication channel between citizens and national, and local governmental actors	x	x	x

Sources: *1 Own compilation based on Fennell – Gavelin – Wilson (2008)

*2 Own compilation based on Reznitzer 1998

Own compilation

Note: the source of the first 5 roles *1, the source of the following 2 roles *2, hereafter own compilation.

The role of settlement developing nonprofit organizations in local democracies

The research methodology, hypotheses

I analyzed the role of civil/nonprofit organizations in local democracies among settlement developing nonprofit organizations by questionnaires and interviews. I chose the West Transdanubian region of Hungary as the *scene* of the research.

The hypotheses of the research are the followings:

- 1) Among nonprofit organizations dealing with settlement development local development activities can be interpreted widely. Based on this nonprofit organizations dealing with settlement development can be distinguished as the followings:
 - participation in the local government's work,
 - participation in creating development documents,
 - report on development documents,
 - realization of development aims,
 - managing and implementation of investments, projects,
 - renovation, maintenance,
 - community building and formation,
 - stating of opinion,
 - functioning as a communication channel ('bridge role').
- 2) The nonprofit organizations concerning with settlement development rarely take part in the local government's work. Within this hypothesis I would like to study the statements of Kákai (2004) in connection with settlement developing organizations:

- It is the characteristic of shire-towns (towns of county rank) that organizations take part in ad hoc committees as invited experts, whereas in other towns they participate in both standing and ad hoc committees, and in villages all three are usual.
 - The smaller the settlement is, the more often the organizations are invited to general assemblies.
- 3) Most of the nonprofit organizations dealing with settlement development have the possibility to take part in the drafting of local development documents, but also in the spatial planning, however they have a limited role in local and spatial implementation, moreover their initiatives and suggestions don't appear in the development plans of the settlement.
 - 4) Nonprofit organizations concerned in settlement development cannot take part in projects, investments and competitions requiring many and/or significant human and money capital because of their economy and the structure of incomes and employment.
 - 5) Organizations dealing with settlement development have a wide range of local connections because of their activity.
 - 6) The role as a communication channel between organizations dealing with settlement development and citizens doesn't appear in local development.

The survey based on questionnaires was conducted between *September 2007 and January 2008*. The aspects of *choosing* the organizations, *compiling the questionnaire* and *utilizing the results* are the followings:

- I conducted a survey in 3 counties of the developed area of Hungary (Győr-Moson-Sopron, Vas and Zala).
- On the one hand I asked for the KSH settlement series list referring to the area: 447 settlement developing nonprofit organizations operated in the territory in 2006 based on the database of settlement series provided by the KSH Statistical Secretary of Social Services, Social Statistical Department in the summer of 2007. The KSH classifies the settlement developing organizations into 3 main groups from which I took 2 groups into consideration during my research; I didn't deal with the organizations of housing matters, tenants and proprietors. So my research was based on 424 organizations according to the KSH list.

- On the other hand, during research – which was conducted partly personally and partly via post – I found some organizations (snowball system) that weren't on the KSH list however they deal with settlement development in practice. Based on this 16 organizations were interviewed.
- I sought out all the above-mentioned 440 organizations and altogether 195 questionnaires returned (all the 16 organizations that got into the total field under survey by snowball system are part of the sample).
- My results composed during the research are applicable to provide a picture of what characterizes the operation of settlement developing organizations in the analyzed area and their role in their settlement.

The survey based on questionnaires had the following 3 *aims*:

- to gain information about the operation of organizations (foundation, basic activity, public usefulness, the number of employed people, volunteers),
- to review in details the activities of organizations and to study their role in local development and their participating activity,
- to be familiar with the management of organizations.

During research the practical adaptation of the following participating techniques were surveyed:

- the collaboration of organizations in the work of local government,
- participation in making strategic documents,
- participation in realizing strategic aims,
- the organizations' financing role in developments,
- activity in settlement developing competitions,
- the organizations' function as a communication channel.

The survey based on interviews was conducted between November 2008 and May 2009 and the interviewed were the followings: leaders and representatives of settlement developing nonprofit organizations; leaders of local governmental commissions and mayors. While making the interviews my aim was to amplify the information gained during the survey based on questionnaires.

The evaluation of the main research results and the hypotheses

At the beginning of my research I hypothesized six things the evaluation of which is based on an extensive literature elaboration and an empirical research too. My hypotheses focused on the role of those nonprofit organizations in local development that are concerned in settlement development. My statements are based on my knowledge of literature and my previous research experiences.

I answer to the two statements of my first hypothesis separately. In the first part of my assumption I stated that settlement developing organizations interpret the definition of local development in a wider sense (H1). To prove this statement I analyzed particularly – based on domestic and foreign literature – the definition of local, settlement development, the subject and actors of development and the range of activity of West-Transdanubian settlement developing organizations and the opinions of nonprofit sector and local governments about local development. During research I found that the range of activity of organizations dealing with settlement development is wide and most of the organizations operate first of all to fulfil public demands.

Some methodological and practical questions arose in me because of this result. If we interpret settlement development in a proper sense, the analyzed organizations should deal with construction and carrying out of investments. But if we interpret development in a wider sense – as I did during my whole dissertation –, any kind of process that leads to the improvement of living standards can be defined as development. Accordingly the public approach of organizations' operations ranges with the local development's definition. Conversely, if we study the public featured operations in a deeper way, we can say that in most cases it is in connection with some kind of sport, cultural or free time activity. They can also shape the community but in my point of view not in the same sense as the definition of local development says because they are more ordinary since they cover only the main reason for founding a nonprofit organization and the offer of public services. This made me wonder why the KSH classifies these organizations to the category of settlement development. To my mind common/public development as a form of activity should be defined in a wider sense and based on another approach, thereby it could include activities like community shaping and community building. Other typical activities of settlement developers: embellishment of settlement, clearing of ragweed, planting flowers, organizing events, making publications.

In my investigation I accepted the first part of my first hypothesis to be true which means that organizations interpret settlement development in a wider sense and they deal with the community shaping and more rarely the community building part of developments. I

didn't study the reasons for this but during my research the following questions arose in me providing a basis for future researches:

- It is an important question whether the local authority allows the set up of organizations that could actively participate in developments (not only community shaping but also the realizing of investments) and how they can evolve.
- From nonprofit point of view the following question can arise: do the organizations want to take part in wider developing activities or they are satisfied with just organizing events, embellishing the settlement and so they don't want to participate in more active developing processes.

The statement of the second part of my first hypothesis is that the classification of activities of settlement developing organizations is linked up with the previous statement. I assume that organizations can be classified to the given category based on their activity. I accepted this statement based on theory, but it is in contrast with the empirical research conducted among organizations dealing with settlement development in West-Transdanubia. The organizations have such a wide range of activities (often dealing with development in an indirect way) thus in this case this type of classification didn't prove to be the best one. Instead of this during analyses I applied a classification that consists of 15 areas of activities based on the answers of the organizations, but I couldn't classify the organizations to only one category in this case too. *Based on these I rejected the second part of my first hypothesis.*

I stated in my second assumption that settlement developing organizations rarely have the chance to take part in the decision-preparatory work of local governments; furthermore my aim was to study the statements of a previous research regarding settlement developers (H2). During my survey I found that the major part of organizations do have the chance to participate in the local government's work although rather casually than regularly but at least sometimes they are allowed to participate in the general assemblies, committees and this way they can come to know the processes of local governments. I must add that all of this can show up if organizations grab the chance and really take part in these meetings. *Based on this I reject the first part of my hypothesis, but based on my research the major part of organizations are allowed to take part in the decision-preparatory work* (further researches are needed to find out the experimental forms of it).

I tested to the settlement developers the previous researches of Kákai László (2004) referring to participation in local government's work; and the statement that organizations in towns of country rank usually participate in ad hoc committees and as invited experts proved to be true whereas I rejected the statements articulated in connection with other towns and villages. The organizations operating in other towns mainly have an opinant role, whereas among those operating in villages the participation in regular committees is dominant. My research based on questionnaires and my survey based on interview have an antinomic result referring to the question whether organizations in towns or those in villages have the bigger chance to take part in general assemblies. The survey based on questionnaires shows that there is a little difference between the chance of organizations in town and those in villages whereas based on the answers of interviews the organizations operating in villages have the bigger chance to participate in the work of local governments (mainly in general assemblies) because of their personal relations and their positions in the management of both organizations and the settlement. So I partly accept the statement referring to participation in general assemblies.

To prove my statement referring to participation in planning and carrying out of development documents (H3) I studied how many organizations take part in local, spatial and national planning and in reaching the goals. During my research I found that organizations rather take part in planning than in carrying out them, although it is true for only less than half of the organizations at local level. The participation is lower in case of plans referring to a small area or a larger territory. The participation in planning usually means stating opinion and not a close cooperation. The phenomenon that nonprofit organizations operating in smaller settlements have bigger chance to cooperate with local governments mainly because of their personal relations was dominant again in case of interviews. *Based on this I reject the first part of my assumption, but I accept the second part of it; furthermore I reject the statement saying that ideas of organizations don't show up at local level, however it is true that they only have the chance to state one opinion or idea (at least one idea of 71% of the organizations show up in settlement development).*

I also analyzed the income and employment structure of organizations because I state that settlement developing organizations don't have enough economic resources to realize weighty investments (H4). The answer to this statement is in connection with my first and second assumptions (I accepted that organizations usually define local development in a wider way and they see it as a community shaping thing). During my research I found that more

than half of settlement developers have less than half a million forints to manage themselves, and their main income sources are the 1% personal income tax offers, the state support and the income from tenders. What's more I rated 60% of the organizations as unsafe because of their income sources, as these organizations have less than 4 types of income sources which can make them exposed in my opinion. It is particularly true knowing that the major part of these organizations manages from mainly dues and the 1% personal income tax offers both of which is hard to be forecasted.

Although organizations gain most of their incomes from tenders, only a few organizations have made a tender dealing with settlement development since 2000. The submitted tenders refer mainly to smaller developments and to provide common services. Organizations don't make capital intensive tenders as one of my interviewed people said they were afraid of tenders and projects that require a bigger amount of capital because they felt they weren't able to manage them. Having evaluated the activities of organizations we can say that the same is true for the other organizations. A reason for this among other things is that the major part of organizations (almost 90%) doesn't have employees, so they do their activities with the help of members and/or volunteers whose main task is to organize different types of events and to do the administrative tasks and not to carry out projects requiring more severe expertise.

During my research it became unambiguous that the diverse activities of organizations are related to their degree of money and human capital supply. The income realized by organizations is necessary to cover the conditions of everyday operation, because from a couple of ten or hundred thousand forints is hard to carry out even a smaller development not to mention the wages of employees. However a question arose in me whether the settlement developing organizations need to possess more millions of income and more employees because their sources are enough for making the settlement more beautiful and shaping the community. According to me the major part of organizations does the given task because they have the sources for doing that and they wouldn't be able to gain capital for bigger investments. I think that the task of an organization dealing with settlement development should be – beyond carrying out smaller or bigger investments – to participate actively in the formation and carrying out of developing aims of a settlement, small area by transferring opinions and taking part in the decision-preparatory work. For this they need first of all human resource, but to my mind those kind of organizations would be needed that would focus on this aspect of development during their activities. It requires employing experts – and of course money for paying their wages – who are able to represent the interest of

organizations in front of the decision-makers and are also able to make the organizations function as a communication channel among local actors.

Based on the above-mentioned I state that the major part of settlement developing organizations is not suitable for carrying out or taking part in bigger projects because of their economic and human resource background so I accept my fourth hypothesis.

My fifth hypothesis referred to the relations system of organizations, and I stated that settlement developers have a wide range of relations because of their activity (H5). To prove this hypothesis I analyzed in details the organizations' relations within the sector and out of the sector and with local governments too and as well as their intensity and character. During research I proved that almost all organization (97%) has relation at least with one social or economic actor, but it is typical that one organization keeps in touch with only a couple of other actors (36% of them keep in touch with maximum two). This number can be said to be high since the essence of settlement developers' activity should be to contribute to the development of the settlement and its environment by listening and transferring the opinions of local actors during developing processes, however most organizations don't do so as we could see it from the first hypothesis. Most organizations hold an intercourse with local governments and entrepreneurs. *Based on the above-mentioned I reject my fifth hypothesis which means that organizations dealing with settlement development can't be characterized by a wide range of relations.*

I composed my last assumption connecting to the previous one and it says that the role of a communication channel between settlement developers and citizens doesn't show up in the practice of local development (H6). I experienced during the research that citizens don't turn to settlement developing organizations with settlement developing aims, but their relation is rather characterized by an everyday cooperation like we could see in the case of their relations with local governments. The listening to opinions is not organized but happens in an ad hoc way. *Based on my research I take my last assumption to be proved.*

The new results of the research are the followings:

- More than half of the analyzed settlement developing organizations (55,4%) deals with providing services and communal events and also with shaping the community.
- 58% of the organizations have the possibility to take part in any kind of way in the decision-preparatory work of local governments.

- It is the characteristic of organizations operating in villages not to participate in planning and carrying out development documents.
- I revealed that 60% of the settlement developing organizations doesn't operate safely regarding the number of income sources, because they have to manage from less than 4 types of sources annually.
- Most of the interviewed organizations had income from the 1% personal income tax offers in 2006, the highest income came from the national tender sources (55 million forints), and furthermore the 1% personal income tax offer was the dominant source of organizations' income.
- Almost 12% of the organizations employ a full-time employee and 57,4% of them employ a volunteer; and both organizations in towns and those in villages employ volunteers.
- 97% of the organizations keep in touch with at least one social or economic actor, and most of the organizations (78%) cooperate with the settlement's local government in a relatively intensive way, however the subject of the cooperation is not settlement development but participation in events and mutual tenders.
- The relation system of organizations – aside from some organizations with active relations – is characterized by passivity. During my research I found that most of the relations are formal and ad hoc, and although the major part of organizations keep in touch with the local government, the intensity of this relation is weak and manifest itself in the form of rendering help to the operation or asking for help for a project.
- Settlement developers have the similar number of relations with nonprofit organizations having the same or a diverse field of activity, but they have a stronger relation with those organizations that operate in the same field.
- Out of the sector the relation with entrepreneurs is the most typical (56,4%).
- While cooperating with citizens the major emphasis is put on the operation of organizations and not on the change of opinions regarding the development.
- In many cases a passive or sometimes negative attitude can be perceived from the part of decision-makers in connection with the participation of local actors, so they don't allow these processes.
- More organizations can only get information about the settlement's processes because they actively take part in (by their leaders, members) the settlement's political life.

- The organizations usually know the opportunities of participation but they can't improve them effectively during their everyday activity.
- During the research I revealed that according to the local government and the actors of nonprofit sector the local governance term can't be interpreted in today's Hungary – especially in smaller settlements – because the institutional background which is necessary for this doesn't exist. We can draw the conclusion from this that in Hungary those types of coordination are missing which would be able to generate processes that could guarantee an organized frame for the cooperation of local actors.

My recommendations, summary

Based on my research I recommend the followings:

- It has to be realized that communication channels are needed between decision-makers and citizens, and besides media the civil/nonprofit organizations have to take this role on themselves.
- Settlement developing organizations should organize formal events and programs to inform the inhabitants about the ideas of organizations and decision-makers regarding local processes, and inhabitants could state their own opinions here. To reach this the local government, the inhabitants and the nonprofit organizations should be opened to these processes.
- The meetings mentioned in the previous point could methodize the different forums and public investigations, and in an optimal case the organizations could organize them instead of local governments thus a closer relation could evolve between organizations and local governments that could focus on questions regarding the settlement.
- The employment of experts: organizations could more effectively appear in front of public opinion and other local actors by employing experts.
- Settlement developing organizations should follow other methods and techniques in smaller and in larger settlements because the personal and institutional conditions are different. I think that organizations operating in larger towns – as their number are higher – should cooperate with each other or should employ an expert representing their mutual interest to be in touch with local actors,

especially with local governments, whereas in smaller settlements the leaders of organizations could handle these tasks.

- Organizations should attempt to manage from more income sources to assure their safe operation, and they should rely on the offers of local actors. But they can count on this if they do tasks that have an effect on the people.
- Since the connection system of organizations is characterized by passivity, they should attempt to realize that cooperation with other organizations can make their operation more effective by receiving professional and material help from each other. I see the tightening of the cooperation with local governments significant in a form where the local government and the organizations communicate with each other regularly, organizations are invited to meetings and committee meetings and they do so because they think that the commitment of citizens are important. I also see it essential that settlement developers should have relations with at least those organizations that have the same activity to be able to coordinate their activities and they could represent the interests of citizens in front of decision-makers.
- Positive initiatives should be emphasized during daily communication (both in case of information and publications shown up in the media and also in case of free talks), and not only actual shortcomings should be highlighted. The latter makes sense if besides defining problems, the possible solutions are also described and their realization begins.

The conditions mentioned in the theoretical chapters have to come true so that the above-mentioned processes could be operable or at least some sort of shift is necessary so that the changes could start. I confirm the opinion of Bóhm (1987), Boda (2008) and Battistoni (2000) with my research according to which local actors – both economic and social ones and local governments – should be enabled to realize that they are all needed for a successful development. One basis of effective local development is the intensive communication and the partnership between local and spatial actors. The successfulness of developing activities depends on the type of actors involved in the processes and the way how they are involved, and on how effectively they can cooperate with each other and with other actors of the economy and the society. The enabling could be the task of those experts who have the adequate theoretical and practical knowledge to be able to transfer the information necessary for participation to the involved actors via events, forums and education. People and

representatives of organizations of course should take part in these meetings to reach this objective. A reason for the motivation can be the broad spread of publications that illustrate the successful examples of local development in a plain language.

I think that the restitution of trust between people could be a basis for the growth of participating activity. I think it has two ways: on the one hand because of historical features people should experience – while studying democracy – how to trust in social and economic actors. On the other hand it may be necessary to organize meetings initiated by nonprofit organizations where the parties can freely talk and during this they can know each other's opinion and what's more they can learn the communication. One condition of this is that people should understand the importance of communal communication.

All in all I think that every actor should participate in local development – besides national and local actors – who are involved by developments so that the country could be democratic both in social and economic sense. Thus more effective decisions can be made and the communal integration of people can develop as well.

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