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Nicaraguan civil society caught in the pendulum's swing? Shifting roles from service delivery to lobbying and back

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TABLE OF CONTENTS

ABSTRACT

Until the end of the 1990s, Nicaragua was marked with social conflict and internal political struggles. From 2000 until 2006 Nicaragua experienced a relatively democratic period, in which the country drafted Poverty Reduction Strategy Papers (PRSPs) with participation of the civil society. In this period, the openness of the political system and the participatory dimension of the PRSPs helped to strengthen civil society and increase policy influencing. As a result a shift took place away from service delivery and towards more lobbying and advocacy. The election of Ortega in 2006 (Sandinista National Liberation Front (FSLN)) as president introduced the shrinking of this democratic space. From that moment onwards, donors encountered difficulties in dealing with the participation conditionality. At the same time, civil society organizations (CSOs) found it difficult to counterbalance the increasing undemocratic tendencies despite their efforts to organize mobilizations. This paper argues that the NAA, which pushes civil society into the watchdog role, is rather troublesome in contexts which are politically closing down. Imposing the single role of watchdog on civil society is ineffective. The NAA should not be treated as a rigid blueprint but, rather, as a guideline for policy implementation dependent on the actual situation in the country of concern.

RESUMEN

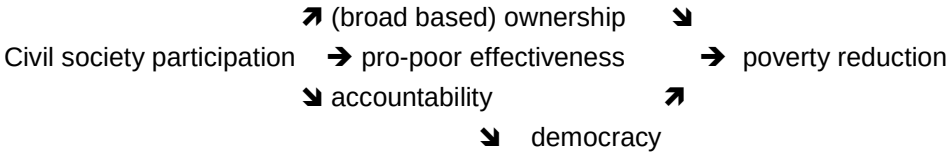
A finales de los 90, Nicaragua era un país marcado por el conflicto social y por los enfrentamientos políticos internos. Entre 2000-2006, Nicaragua experimentó un periodo relativamente democrático bajo el cual tubo lugar la formulación de las Estrategias de Reducción de la Pobreza (ERP), estableciéndose así la nueva arquitectura de la ayuda internacional. La apertura del sistema político y la dimensión de la participación que implicaba la ERP ayudó a fortalecer la sociedad civil y a aumentar su influencia política. Esto resultó en un cambio del rol de las organizaciones de la sociedad civil pasando de ser meramente proveedores de servicies a asumir roles de influencia política y cabildeo. La elección de Ortega en 2006 (Frente Sandinista de Liberación Nacional - FSLN) como presidente conllevó una reducción del espacio democrático. Desde entonces, los donantes han experimentado dificultades a la hora de implementar la nueva arquitectura de la ayuda internacional. Al mismo tiempo, las organizaciones de la sociedad civil difícilmente se han podido contraponer a las crecientes tendencias no democráticas, a pesar de sus esfuerzos en movilizarse. La nueva arquitectura de la ayuda internacional, bajo la cual se espera que la sociedad civil juegue el rol de “watchdog”, parece presentar problemas en contextos donde los espacios políticos de participación se están cerrando. Pues, la nueva arquitectura de la ayuda internacional no debería tomarse como una “receta”, sino que como una guía para la implementación, teniendo en cuenta el contexto y la situación del país.

1. INTRODUCTION

During the last ten years, a new aid architecture has emerged and firmly taken root in a large part of the donor community. One of the linchpins of this new aid approach were the Poverty Reduction Strategy Papers (PRSPs). Governments in developing countries that wished to receive concessional assistance, debt relief, and additional aid from donors were expected to draft such a poverty reduction strategy and hold consultations with civil society organizations (CSO). Although PRSPs as a concept have lost momentum and more localized names have surfaced in the mean time, its principles remain the same: it is all about being a long term, comprehensive and results-oriented poverty reduction strategy, with national governments in the driver's seat.

The role and place of participation in the PRSP design was quite remarkable. Governments were expected to carry out consultations with stakeholders during the drafting process of PRSPs. Although participation was mandatory, it was not strictly evaluated by the International Financial Institutions staff, as these are not allowed to make political assessments. Participation evolved thus into a kind of "soft" conditionality. Especially in the first five to six years participation was perceived to be one of the cornerstones of the New Aid Approach (NAA), and civil society was recognized as a "development partner" (OECD/DAC 2005; World Bank 2007; Paris Declaration 2005; OECD 2007). It was intended that civil society would be involved throughout the whole cycle of policy making, including – and especially – the monitoring and evaluation of the implementation of PRSPs. While doing so, civil society was expected to carry out two roles: (1) a developmental role, (2) a democratizing role. The first role was linked to the promotion of pro-poor interests, the second one to voice and accountability. Both roles were also considered central in building broad based ownership around the country's poverty reduction agenda. Important to mention is the strong pressure on NGOs to move away from service delivery, away from replacing the state, towards more watchdog, lobbying and advocacy roles. As Cornwall and Gaventa (2000) rightly state, CSOs are expected to shift from micro to macro, from projects to policies, from beneficiaries to citizens. Figure 1 summarizes the expected roles of civil society under the PRSP.

Figure 1: the expected Role of Participation in the PRSP-philosophy



Source: Molenaers & Renard (2006:8)

But what happens with this one-size-fits-all model when the political context gradually moves from quite open and democratic towards more undemocratic? How does civil society deal with externally imposed roles and participation schemes that do not at all times fit internal political dynamics? This paper sets out to describe how these changing political dynamics largely define the roles which can be taken up by civil society and argues that moving or sticking to service delivery may well be the only strategy CSOs have if they want to survive in a politically hostile environment.

From 2000 until 2006 Nicaragua went through a relatively democratic period, in which it was relatively easy to realize the participation conditionality linked to the PRSP. Those years saw the opening up of different windows of opportunity to strengthen civil society and enable policy influencing, whereby actively increasing a watchdog role and moving away from service delivery. However, when democratic space started to shrink under the presidency of Ortega and Sandinista National Liberation Front (FSLN) in 2006, it became increasingly difficult to live up to the participation conditionality. At the same time, CSOs found difficulties to counterbalance the increasing undemocratic tendencies despite their efforts to organize mobilizations and form coalitions.

Carried out in 2008, this qualitative study combines one month of fieldwork and desk research. 21 representatives from different organizations were interviewed during the fieldwork: 10 local CSOs (movements, NGOs, trade unions), 4 donors, 5 INGOs, and 2 experts.

This paper consists of the following: the next section reviews literature on civil society roles in development and democratization. In addition, it focuses on how these separate roles have gradually come together under the umbrella of the NAA. Section three analyses the roles of civil society under different regimes since the end of Somoza's dictatorship up until the present Ortega's rule. A special emphasis is given to civil society in both PRSPs and Ortega's administration. Section four draws on the donors' support and responses to civil society after the introduction of NAA and their implications for CSOs. Finally, a set of conclusions points out that context matters. The authors demonstrate that blueprints or models for civil society do not work and it is therefore imperative to have a strong understanding of political context so as to prevent jeopardizing civil society from fulfilling its commitment to contribute to aid effectiveness agenda.

2. CIVIL SOCIETY: MOTOR OF DEVELOPMENT AND DEMOCRACY? A LITERATURE REVIEW

Under the NAA, CSOs are the source for both increasing development effectiveness and pushing for democratization process. The logic behind this dates back to insights relating to the roles CSOs have played in recent history.

2.1. Civil society as a developmental actor

Strengthening civil society participation in development cooperation has been an issue on the donor agenda, especially since the era of the SAPs (Structural Adjustment Programmes) during the 1980s. The SAPs introduced political and economic reforms, such as liberalization of markets, the privatization of services, decentralization of political and economic power. This implied the subsequent rollback of the state and the opportunity for CSOs to strongly step into the provision of services. NGOs, in particular, were seen as an alternative to governments to deliver services such as education, health, microfinance, etc. Regarded as more cost-effective, people-oriented, better skilled, less bureaucratic and thus closer to the poor, NGOs were thought to be well placed to impact development (Edwards & Hume 1998; Mitlin et al. 2007). NGOs also featured innovation, flexibility and participation (Gaventa & Cornwall 1999; Fowler 2000). Participatory approaches therefore proliferated strongly and CSOs launched their own projects and programmes instead of joining in within wider political communities (Hickey & Mohan 2005). The latter began to be seen as a problem during the nineties, however. By and large, the SAPs themselves failed in substantial ways: the imposed reforms were, more often than not, not implemented by the recipient government, the rolling back of the state had not brought an end to corruption, inefficiency, rent-seeking, the absence of rule of law, etc. It became obvious that reform cannot be bought, that it has to come from within. At the same time, it was acknowledged that NGO-led service delivery did not produce satisfying results: creating islands of performance did not spill over into broader governance improvements. The need for good governance on the one hand, and the potential role of civil society in pushing the governance agenda on the other became increasingly for improved state performance. They viewed civil society as “a benign arena” to check on “the malign state” whereby giving rise to CSOs as key actors who can improve governance (Howell & Pearce 2001:41).

2.2. Civil society as a democratizing actor

Civil society as a democratizing actor plays a significant role in the political and social discourse. It is closely related to political changes achieved by various movements and grassroots’ organizations in Latin America and eastern European countries. At the end of the 1970s CSOs in countries, such as Argentina, Chile and Nicaragua, led struggles against repressive governments and were central in ousting dictatorships (White 1994). A decade later, civil society organizations in eastern European countries, e.g. Solidarity in Poland and other movements in former Czechoslovakia that advocated the dissolution of the Soviet Union, were influential in forging a vision of civil society as a source for regime change (ibid.). Yet, the role of civil society was not limited to the level of regime change alone. NGOs, trade unions, students’ organizations and religious groups, taken together, represented democratic consolidation once a democratic system was established (Mercer 2002; Diamond 1994). Ultimately, these events

and the ensuing geopolitical context after the fall of the Berlin wall provided enough space and clout for donors to include democratization in their development policies and programmes.

Putnam (1993) in his book Making Democracy Work, analyzes the nature of the relationship between social capital and democracy emphasizing that social capital generates community sense which subsequently facilitates democratic transition and consolidation. On the one hand, social capital encourages feelings of common interest that lead to social organization. In turn, social organization helps channel the demands and interests of citizens to the state as well as serves the mobilizing role for political pressure by challenging non-democratic regimes and pushing towards democracy. On the other hand, once democracy is established, social capital expands the capacity of citizens to access information, political ideas and public participation as well as empowers them to demand state responsiveness whereby increasing both government accountability and transparency eventually leading to democratic consolidation.

For the reasons stated above, CSOs started to be considered to encourage social trust, civic engagement, democratic attributes and articulate interests consistent with regime change and democratic consolidation (Diamond 1994). Moreover, donors felt encouraged to fund programmes aimed at democracy building, attaching to civil society the virtues of playing roles to enhance democratic transition and good governance.

2.3. Which roles for civil society under the new aid approach?

The NAA considers the state to be central in providing development. Rather than bullying the state into reform (as in the period of the SAPs), engaging with the government in undertaking those reforms over which they have ownership is to be preferred. Therefore new aid delivery modalities such as general or sector budget support and pooled funds which directly support the government have been created in order to give more room to ownership, to align with government systems, to improve donor harmonization and to allow for a more result-oriented approach to poverty reduction. Donors bring in CSOs because these organizations can communicate the needs of the poor and be influential in participatory processes, securing the design of effective policies (Stiglitz 2002; Molenaers & Renard 2006). CSOs are expected to monitor government policies, public expenditure and demand accountability. Doing so, they can reduce rent-seeking and enhance economic performance through promoting transparent and democratic practices and consequently counterbalance state power (Hadenius & Uggla 1996; Fowler 2000).

The line of reasoning behind the relationship of civil society, democracy and development under the NAA stems from a liberal definition of civil society and therefore reflects neoliberal values (Mercer 2002; Bebbington et al. 2008). Based on the theories of modernization and political development schools, democracy has been looked at as the best regime not only for ethical and redistributive reasons (Bhagwati 2002), but also for the development of capitalism (Stiglitz 2002). Capitalist societies require a strong and autonomous civil society (Howell & Pearce 2001; Mercer 2002; Stiglitz 2002) to “check and balance” the excess of state power and control the political institutions to enhance good governance (Fowler 2000; Mercer 2002; Boussard 2002). Moreover, its impact is also extended to the economic sphere contributing to transparency, institutional quality, effective law and regulations, decreasing rent-seeking and improving investment climate (Stiglitz 2002).

From the point of view of liberal democratic theory, widely advocated by such authors as Alexis de Tocqueville, Samuel Huntington, Robert Putnam, and others, civil society can only be conceived in its relations with the state. Added to this, civil society and state constitute separate spheres that each complement one another. In fact, civil society under the NAA can be understood as a constellation of associations that are embedded in the spheres situated between state, market and family. In this setup, the issues of public concern are negotiated and at the same time common objectives (so-called "public good" whose activities are organized in a collective way) are pursued (OECD 2007). Aside from NGOs, this broad definition of civil society includes grassroots organizations, trade unions, movements and the like, solving in this way, the "bias" in the development field of identifying civil society with NGOs (ibid.).

Voice and accountability, endowed to civil society, indicate specific qualities CSOs possess and are therefore expected to make use of under the NAA, namely strive towards broad-based ownership, pro-poor effectiveness and accountability with the aim to achieve democracy and development (Molenaers & Renard 2006). This is to assume on the one hand that CSOs work closely with the poor to empower them, accumulate technical skills as well as expertise. On the other hand, CSOs are independent, people-centered actors driven by democratic values and goals who aim at representing the excluded segments of society.

2.3. Realistic approach for civil society in development cooperation?

Although the new aid paradigm has resulted in an unprecedented scaling-up of participatory approaches rendering civil society access to political process, so far very little evidence regarding its democratic and developmental impact exists. Different authors and studies have questioned the virtues attributed to civil society, pointing out the main deficiencies and problems in developing countries. It has been argued that most CSOs involved in PRSP processes consist of urban professional organizations with limited or no links with grassroots organizations. Their capacities for innovation, flexibility and cost-effectiveness are not automatically ensured (Fowler 2000; Hickey & Bracking 2005). They do not necessarily have democratic values or a democratic structure; they are shaped by ethnic and political cleavages; they do not necessarily escape traditional norms and patterns of authority (Hadenius & Uggla 1996:1625), nor are they automatically able to overcome clientelistic practices. They tend to be mainly accountable to donors, government, and trustees while downward accountability towards beneficiaries and/or members and capacity to build long term alliances remains weak (Fowler 2000; Boussard 2002; Mercer 2002; Molenaers & Renard 2006). All considered, there is no guarantee that civil society will represent and bring the interest of the poor to the forefront of policies and hold governments accountable. By the same token, the liberal worldview does recognize that civil society can have a counterproductive impact on democratic consolidation (Diamond in Mercer 2002:8).

The problem with the NAA is that it does not problematize the concept of civil society. Civil society is considered a priori as playing a positive role while CSOs are not homogenous, but heterogeneous actors that do not represent one set of interests and therefore are prone to conflict. In fact, civil society is made up of a myriad of organizations including movements, NGOs, grass roots organizations, trade unions with different value-based ideas (Thomas in Bebbington et al. 2008) shaped by political dynamics and power relations and structures as well as by hostility and loyalty amongst CSOs and between CSOs and the state. NGOs strive to address development taking approaches of "small is beautiful" (Schumacher),

"people-centered development" or "participatory rural appraisal and power reversals" (Thomas in Bebbington et al. 2008). Created to defend mutual interests, the benefits of their members or for the public benefit operating at a small scale and in specific areas (Mercer 2002; Thomas in Bebbington et al. 2008), such organizations are not necessarily democratic. And, although they share political and economic goals, conceptual, political and organizational tensions are present (Bendaña 2006). Therefore, it is not certain whether civil society will advance the interests of the poor.

Moreover, as stressed by Hadenius and Uggla, civil society is "a relational concept" and for this reason defined by "its relations among actors of CSOs and them and the state" (1996:1627). Whether an enhanced voice will contribute to accountability in nondemocratic contexts is contingent both on state responsiveness and the agents of change who will voice the needs of the poor. Complexity, diversity, power relations and context attached to civil society yet have to be addressed in the present NAA. If not, this might weaken voice and accountability, the pivotal elements to counterbalance state abuses and lead to undermining mutual understanding and alliances necessary for generating political and social change (Renshaw in Hadenius & Uggla 1996).

Some postulate development will be achieved by promoting democratic governance with civil society serving as a "magic bullet" that will enable a democratic behavior for achieving development. However, this link is weak. There is not enough evidence to prove that democracy has a positive (or negative) impact on development. NAA, however, assumes to deal with civil society as a unique and homogenous entity at the same time turning a deaf ear to the internal dynamics of CSOs and their relations with the state.

In undemocratic contexts, where participation spaces are limited, especially in developing countries, CSOs might face significant challenges to uphold democratic rules and play according to the NAA. To treat CSOs as a homogenous group of actors would be too farfetched and even dangerous. Even so, holding civil society to be a key for democratization and development and compelling it to assume roles within a political arena in a given context can do harm rather than support in democratization and development.

Nicaragua makes an interesting case for analyzing civil society considering the struggles and intense, even conflictual relations among CSOs as well as the state. CSOs in Nicaragua have shown to be effective in removing a dictator out of power (Somoza). CSOs have also become good partners working in conjunction with the state, effective service providers as well as the beacon of raising voice and accountability. However, under the Ortega's presidency, marked by an undemocratic rule, CSOs seem not to be able to counterbalance state abuses any more. One could argue that the incapacity to face the present context and keep up certain levels of democratic rule is due to the cleavage within the left created by the FSLN holding the power and between supporters and opponents of the executive government (Borchgrevink 2006). This study shows that a lack of power to confront the present context goes farther than that. It has also to do with the different roles assumed by organizations, their particular interests, fragmentation, the politico-economic context, power relations as well as the standpoint of the NAA on civil society.

3. THE NICARAGUAN CASE: POLITICAL DYNAMICS, CIVIL SOCIETY ROLES AND DONOR RESPONSES

3.1 From Somoza to Ortega: from political roles to developmental roles

Nicaraguan history shows that large segments of civil society have been willing and able to play developmental as well as democratic roles. Nicaragua endured the repressive Somoza dictatorship for 45 years (1934-1979). This context did not favor the existence of an autonomous and vibrant civil society. In fact, Nicaraguan civil society was caught between the Somocista state and the anti-Somocista parties (Prado 2007). Most organizations were considered loyal to regime while other were co-opted by the dictatorship whereby serving as its social basis and regime legitimacy (Quirós 2006; Borchgrevink 2006). Nevertheless, resistance organizations existed in the regime's shadows despite the repression exercised over any attempt to create opposition.

It was not until the 1970s that Nicaraguan civil society proved to be an effective force against authoritarian tendencies. A widespread discontent within society, especially after the earthquake in 1972, reinforced the existing organizations and enhanced the creation of new ones. NGOs, movements and parties formed a broad anti-Somoza coalition with radical social bases aimed at political mobilization against the regime. Although political spaces were completely closed, civil society actors carried out limited, but strong and effective actions to hold the government accountable (Prado 2007; Quiros 2006). One of the most important achievements in the history of Nicaraguan civil society was bringing down the repressive Somoza dictatorship through a massive popular mobilization and wide civil society coalition led by the FSLN in 1979 (commonly known as the Sandinista revolution). As other countries would follow later[1], CSOs in Nicaragua showed they were central to challenge non-democratic regimes and promote change.

With the FSLN party in power, space for associational life increased substantially offering strong incentives and commitment to work with and for the poor[2], especially in rural areas. New NGOs were established, some of them ideologically closer to the Sandinistas than others, especially trade unions, women and farmer's movements[3] blossomed in the early phases of the regime (Quirós 2006; Borchgrevink 2006). Equally important, the revolution enabled the expansion of most of the NGOs' activities. INGOs increasingly stepped in providing financial support to local mass organizations and NGOs[4]. Civil society, together with these INGOs mainly carried out service delivery activities, such as handing out microcredit, providing education, health and production services (Borchgrevink 2006).

However, Nicaragua did not escape the impact from the Cold War. The FSLN grew radical; the contra war, financed by the USA, was waged to undermine the Sandinista regime. Effectively, an even deepening cleavage between the political left and right, between the

[1] Argentina (1983), Brazil (1984), Chile (1989).
[2] In less than 5 years illiteracy rate of 50.35% could be reduced by 37.39 percentage points to 12.96% (Hanemann 2005). At: http://portal.unesco.org/education/en/files/43487/11315380511Hanemann_U.doc/Hanemann_U.doc (last consulted: July 26, 2010).
[3] For example, AMNLAE (women's organization), ATC (farm workers), FETSALUD (Sandinista union of health workers).
4 120 INGOs were active during the period (Borchgrevink 2006:19).

supporters of the Sandinistas and those of anti-Sandinistas emerged. Mass organizations, often based on a top-down logic, were increasingly co-opted by the Sandinista leaders (Prado 2007). Organizations played a fundamental political role keeping the spirit of the revolution, staunchly subordinating to the party and, in turn, to the government instead of being accountable to their constituents and defending their interests (Borchgrevink 2006). Consequently, internal spaces for voice and accountability were systematically sealed off; organizations were instrumentalized to serve ideological purposes of the dominant party. Even though civil society could not fulfill its democratic roles, it could, however, execute developmental roles at the local level.

3.2. Democratic transition and neoliberal policies: voice on the rise

In 1990 the collapse of the Soviet Union and the subsequent advance of democracy compelled the Sandinistas to organize the first free and fair elections in the country. However, these elections signaled the end of the regime. As a result, Nicaragua entered a neoliberal phase receiving considerable support in the form of development aid from bilateral and multilateral cooperation. The introduction of neoliberal policies, structural adjustment, privatization and decentralization of economic power was initiated by the Chamorro's administration and was embraced by successor governments subsequently. Naturally, this prompted a rollback of the state, the establishment of a legal framework that promoted a considerable proliferation of nongovernmental forms of association and led to an eventual increase of the role of civil society as a resource channel and service provider. The number of NGOs started booming. Especially qualified people from the former Sandinista government seized this opportunity to start up new NGOs, not only to ensure their professional careers, but also to sustain the ideals of the revolution, to criticize the neo-liberal agenda and to continue working with disadvantaged groups. At the same time civic education and human rights organizations financed by USAID sprang up, some with clear links to rightwing political parties (Quiros 2006). All these opportunities materialized in the ngo-ization of Nicaraguan civil society (Borchgrevink 2006; Prado 2007) signifying the first steps towards an independent and vibrant civil society (Borchgrevink 2006; Prado 2008).

The decentralization and withdrawal of the state heralded active civil society participation in public services provision too. The legal framework enabled civic participation and establishment of organizations/associations at all levels (1992)[5] and attenuated political obstacles for civil society. The role of holding governments in check rooted strongly among new organizations. Lobby activities sprang up too (Prado 2007). The only organizations that were losing out were the organizations from the past, typically mass organizations formerly linked to the Sandinista party, because they lost their privileged relation with the state hence they lost their political dominance. During the 1990s, internal struggles within the FSLN affected the allied mass movements, trade unions and other CSOs. Some organizations broke off their political links with the party, others became very active in opposing the government. The nineties were marked with constant social conflict as demands from CSOs mounted considerably. Armed actions, demonstrations, land seizures were common. However, the situation started improving at the end of the 1990s when political agreements between the Constitutionalist Liberal Party (PLC) and the FSLN were secured.

5 "Ley 147 sobre las personas jurídicas sin fines de lucro" (Law 147 On Non-Profit Associations).

3.3. Hurricane Mitch: pushing for professionalized service delivery

Hurricane Mitch, enormously hitting the country in 1998, entailed a turning point for civil society in Nicaragua. The hurricane drew in significant amounts of international aid relief for reconstruction. Donors, however, did not trust the then in office, quite corrupt President Arnoldo Alemán. Instead, they channeled most humanitarian relief via NGOs that possessed technical expertise and were active in the affected areas. These large sums of aid however posed a problem of absorptive capacity, introducing new coordination instruments, i.e. an umbrella organization "Coordinadora Civil de Emergencia y Reconstrucción" (Quiros 2006). This was Nicaragua's first experience of establishing a non-hierarchical organ of coordination independent of political parties, church or government (Prado 2007). In this period, umbrella organizations became channels of international aid and service suppliers. Importantly, this natural disaster stimulated the elucidation of civil society capabilities and interests, earning them political, economic and public recognition. NGOS became "a central actor in the reconstruction process" (Boussard 2002:169).

3.4. The new aid approach: NGOs involved in political roles[6]

PRSPs, launched by the World Bank in 1999 were introduced under the Alemán presidency making Nicaragua one of the first countries to play according to the NAA rules. As a soft conditionality, participation of CSO was incorporated in both PRSPs (2002 and 2005). It is worth noting that some of the central developments around PRSPS were the creation of the National Council for Social and Economic Planning (CONPES). Composed of representatives from CSOs, political parties and government, the council was in charge of advising the President of the Republic in the formulation and evaluation of economic and social plans, increasing transparency as well as reporting about different key issues of national interest. Although civil society-state relations were characterized by mutual accusations of failure to bring about democracy and development, a law on civic participation was approved (IADB 2006). The majority of the organizations we interviewed pointed out that, in spite of the permanent confrontation between the government and civil society, the law secured room for dialogue, political influence and participation. Not intended by the executive, resultant participation laws and CONPES led to the institutionalization of civil society participation (Borchgrevink 2006). However, some believed participation was still weak and ineffective despite various initiatives and parallel processes leading, among other things, to the publication of the document consisting of proposals for PRSPs "La Nicaragua que queremos" (The Nicaragua we want).[7]

According to local studies and experts, Nicaraguan civil society experienced a proliferation of organizations carrying out a watchdog role and lobby activities during this period (Prado 2007). [8] This was accompanied by extended access to political sphere.[9] CSOs also experienced increasing independence vis-à-vis the state and political parties. This process was

[6] Presidencies: Arnaldo Alemán: 1998-2002; Enrique Bolaños: 2002-2006.
[7] Some organizations lamented the process was generally incoherent, limited to consultations and therefore lacking in-depth discussion of participation at the national level (SIDA 2004).
[8] Around 84% of CSOs in Nicaragua engage in lobbying activities (IADB 2006), a feature that is also confirmed by this study: all but one of the interviewed CSOs mentioned they were active in advocacy. This propensity towards lobbying can be explained, in part, by the fact that most of these organisations were founded to oppose neoliberal governments, many of them with a Sandinista background.
[9] To participate in CONPES, CSOs had to be able to engage with the government in policy formulation, i.e. health reform, food security law and economic and trade policies.

initiated by an internal division within the FSLN at the end of the 1990s urging traditional Sandinista organizations to distance themselves from the party. The interviews revealed this tendency had also to do with the donors approach and the NAA. According to the donors we interviewed, internal democratic structures are prerequisite for effective accountability. In fact, the main critique from donors and INGOs concerned was the weak internal democracy within CSOs, tensions between accountability to donors and downward accountability as well as a lack of monitoring capacities (both internal and towards the government). Despite the dearth of internal democracy and reforms towards more democratic structures, no one interviewed for the study has been able to combine both upward and downward accountability. The NGOs interviewed for the study, reported to be accountable to donors and depend economically on them. Yet, they are less accountable to beneficiaries and trustees. This lack of internal and external monitoring evidently jeopardizes CSOs efforts to legitimately hold government in check as well as be ready and open to the same scrutiny.

There are also tensions between NGOs and member-based organizations. Some member-based organizations feel that NGOs have difficulties embracing a wider approach. An NGO leader admitted service delivery detracts them from other roles leaving systematic exclusion and vulnerability unresolved. One leader from a movement also pointed to the ngo-ization of civil society: too many organizations cannot fulfill democratic roles because these organizations do not have “optimal structures and capacity to carry out long term lobby actions” rather they are still too much based on short term project approach. Moreover, there seems still to be a natural and predominant attraction between donors and NGOs, even though a lot of them have problems in abandoning service delivery and moving towards preferred political roles by donors such as lobbying and advocacy. Movements on the other hand, which are by nature into lobbying and advocacy tend to have more trouble in attracting and dealing with donors.

Although all interviewees lamented their limited impact on policy influencing and effectiveness in reporting corruptive behaviors, they highlighted that, during this period, room for participation was relatively open and institutionalized. Differences and tensions over their roles as service providers or watchdogs did not prevent articulation of interests and common actions within networks. Short-term coalitions and agreements on common concerns among sector organizations were secured resulting in certain levels of success thanks to, above all, the enabling environment of the NAA. Yet, effective, broad-based coalitions, crucial for political and social development, remained a major challenge.

3.5. The Ortega era: from politics to service delivery?

The victory of the FSLN raised expectations among civil society actors, in particular among those with Sandinista roots. Tired of neoliberal governments implementing mainly donor-driven PRSPs (Booth et al. 2006) and corruption scandals, they expected that things were going to change with the new administration that opposed neoliberalism. Anticipating more open governance, several NGO leaders affirmed their willingness to work with the Sandinistas. Yet, the current situation looks quite opposite to what had been expected, causing disillusion and disappointment and taking away hope of any possibility for real change and progress towards democracy and poverty reduction.

The subsequent reinstatement of Ortega as president has slowed down and, some might say, even reversed democratic consolidation. According to the Freedom House report

(2008), the line between the state and the FSLN is increasingly blurred much like during the Sandinista era. Reforms taken have given more government control over the central bank, military and the police (ibid.). In addition, the present administration has been criticized for its way of dealing with citizens, encouraging clientelism, silencing opposition and using intimidation and violence (Perez Baltodano 2007). Current state-civil society relations, as seen by the interviewees, are conflictive and tense; the space for policy dialogue with the government has been relinquished from some organizations. The situation has been deteriorating steadily: civil and political rights are not fully guaranteed, freedom of press and human rights are not respected[10].

Surprisingly, closing down of political space coincided with the formulation of the Human Development Plan ("Plan de Desarrollo Humano" 2008). This plan introduced some issues that formerly had been largely ignored in the development agenda, such as the promotion of fair trade and agriculture. As international aid for its implementation was required, the plan was presented at the Global Roundtable for receiving budget support. Although demanded by donors, CSOs participation was limited only to consultations in local level Citizens' Power Councils ("Consejos de Participación Ciudadana") created by the present government. Our interviews showed a low participation of movements and NGOs due to their reluctance to support the current government. However, trade unions and worker's associations were involved in the consultations. In fact, according to them, the government allowed a lot of "direct participation" involving citizens at the local level.

A Freedom House report (2008) confirms that trade unions and worker's organizations are controlled by the FSLN, and in turn by the government. As pointed out by a leader of a worker's association, they are "aligned with the government" primarily because the government takes account their proposals into account in exchange of political support. But compensation seems to go farther than addressing CSO interests in the National Development Plan. The organizations admitted they carry out activities commissioned and funded by the government, e.g. food production project "Hambre 0" (Zero Hunger). Following the opinion of the same leader, civil society in Nicaragua is divided between those organizations that "worked with neoliberal governments" and those that "fight for an alternative". Before Ortega, the common trend among CSOs was to keep off from political parties as well as state institutions, and seek alliances with CSOs; during the Ortega's administration, however, CSOs have gradually been taking on political colors. The donors and nongovernmental organizations we have interviewed coincided that maintaining autonomy for organizations is increasingly difficult. The result is a context where civil society is riddled with a marked right-left division and within the left a cleavage between pro or against Ortega.

Accountability, one of the main tenets under the NAA is difficult to exercise. Organizations that oppose the present government abound. These are umbrella organizations and movements with and without Sandinistas root but now also NGOs. Both the NAA incentives for improved government accountability and the risk of being co-opted by the government if they keep delivering services have pushed NGOs to increase monitoring and advocacy roles. With a

[10] Therapeutic abortion was forbidden; nine women's rights advocates have been subjected to criminal investigations as well as consequential intimidation by the authorities. Available at: http://www.hrw.org/en/news/2008/10/28/nicaragua-protect-rights-advocates-harassment-and-intimidation (Last consulted July 28, 2010).

weak party system and parliament controlled by the president, vertical domestic accountability relies on CSOs by checking and balancing the state[11]. Additionally, the government has publicly threatened those that criticize its actions, report lack of transparency and implementation of policies or violation of human rights[12].

However, Nicaraguan case shows that accountability is also prevented by the difficulties that CSOs have to get organized and find a common approach to face the situation. Nicaraguan CSOs seem to differ on how to address the present situation. Movements and umbrella organizations during the interviews indicated it is imperative to be belligerent when facing the undemocratic Ortega's government regardless of potential legal prosecution. Aiming to augment government transparency, they have carried out different strikes and demonstrations, drawing in thousands of people against Ortega. Given the administration's control over many CSOs, regime loyal organizations confronted mobilizations causing high levels of instability and violence on the streets as clashes ensued within divided segments of society.

As one movement leader stressed it was a historical role endowed to such movements to oppose authoritarian regimes. Under the NAA and the shift within NGOs, they are also expected to fulfill the political roles so as to enhance democracy. So, movements expect and are willing to receive political and, above all, economic support from the NGO sector because the "real and sustainable solutions", in their view, require a "political fight" and confrontation with the government rather to cooperation with or service delivery for government. Even though movements discourse has been downed played by NGOs jumping into the political arena, in the present context movements feel that both should strike up alliances and internally reinforce each other by pooling efforts and recourses. However, NGOs are not very comfortable with this approach. The interviewees were of the opinion that despite being part of networks jointly with movements and umbrella organizations, and carrying out lobbying and monitoring activities, NGOs prefer not to participate in mobilizations as it "is a demonstration of power". Some are concerned about the attachment to political parties in organizing mobilizations even though such campaigns are directed against the ruling government. Instead, different strategies are preferred and, for instance, NGOs adopt less challenging positions detaching themselves from joining political mobilizations or expressing political support to any party or movement. In turn, voice and accountability efforts by NGOs, the most common organizations in Nicaraguan civil society, have become futile not only due to the weak role of NGOs in the past but also due to the risks attached to the present context finding themselves with low or no impact to improve governance and welfare. Consequently, the executive is weakly held accountable as CSOs are not able to find a common approach.

The exit to this situation for NGOs and similar organizations seems to be a focus at local level where monitoring and delivering services have been gaining popularity. This tendency was very well reflected in the interviews with NGO leaders who explained they deliver services because funds to the government often disappear. Therefore, monitoring and lobby

[11] As parties are very weak, parliament and parliamentary coalitions are also under FSLN control.
[12] Abolition of abortion law, regardless of health risks involved, has been considered a threat to human rights, not only by local organizations but also by Freedom House (2008) and Human Rights Watch (2008). However, leaders of one government-loyal organization claim civil society should be critical but not harmful to the government because they still receive funds from the latter, and therefore "they cannot go against" the executive. To a certain extent the incentives to hold government accountable become vain.

activities are less dangerous; they involve less political tension as the primary focus is on micro projects and micro policies that require less financing.

Although a law on financing CSOs is in place, the government finances only "friendly" organizations. Moreover, budget support required readdressing aid channels and increasing conditions for CSOs finance. However, it seems that it is not an issue. NGOs have found other channels, such as INGOs, Northern philanthropic foundations, associations as well as donors not in line with NAA that provide with enough resources fit for their type of projects under less scrutiny and demands. Thus, NGOs may fail to engage with movements and other membership organizations to challenge the government and hold it accountable at the national level, to build alliances and demand political change but they seem to manage to survive.

4. DONOR SUPPORT FOR CIVIL SOCIETY UNDER THE NAA AND POST-NAA: PART OF THE PROBLEM OR PART OF THE SOLUTION?

The donors we interviewed agreed the Nicaraguan civil society is "fragmented" and "politicized", therefore its capacities to effectively fulfill democratic functions are limited significantly. Against this backdrop, donors and INGOs created the "Fondo Común de Apoyo a la Sociedad Civil para la Gobernabilidad Democrática en Nicaragua" (Common Fund to Support Civil Society for Democratic Governance in Nicaragua)[13]. The fund supports governance projects by empowering CSOs to fulfill its democratic roles. With a set of single objectives and single contract procedures, Oxfam GB takes charge of the execution of this demand-driven fund. Mechanisms to promote alliance building and partnerships among CSOs are prerequisite to submit a project proposal. Open to all CSOs, the fund works mainly with NGOs. Before Ortega came to power, the fund financed different projects related to CSOs effectiveness on voice, lobbyism and accountability.

At the time of the study (2008), the political space in the country was being intensively controlled, limiting the fund's activities to broad consultations on the Human Development Plan (PDH). Among the interviewed fund members, there was no intention to do something else concerning CSOs support in spite of the political context and the difficulties of civil society to get organized. Important to note, the room for donors maneuver was also curtailed substantially. However, some months after the interviews, President Ortega attempted to close down the office of Oxfam GB, the managing institution of the fund and some donors stopped delivering budget support. Despite governmental pressures, the fund is still running with obvious constraints.

Although the fund has been considered an innovative and advanced experience in harmonizing, coordinating and pooling efforts to support CSOs to enhance development and governance, experience shows that non context sensitive fund requirements such alliances and coalitions are not enough to reduce fragmentation. Apparently, CSOs find themselves "obliged to forge partnerships", not for their common interest or identity, but rather for access to economic resources from donors. Leaders of small NGOs declared they did not want to get organized "just for money", but instead they preferred to do so "for common interests". CSOs, being financed or not, agreed the resulting alliances are "ad hoc" without a "common identity

[13] Members: Oxfam Novib, SNV, Oxfam GB, Trocaire, COSUDE, Luxembourg Cooperation, DIFID, SIDA, Norway, Finland, Sweden, Denmark and the Netherlands.

and goal" putting at risk the civil society's endeavor to social change. Political action to promote social change or oppose governments, however, requires long term strategic and meaningful alliances while this type of alliances is in danger of becoming "fragile" and "outdated" as some NGO and movement leaders concluded. It was also pointed out during our interviews that building so many alliances and networks might reduce plurality and diversity of CSOs. Additionally, for not running into conflict with the executive, donors decided not to finance registered CSOs. However, CSO registration in Nicaragua depends on support from pro-government parliament members and organizations. Consequently, effective and well-organized organizations have difficulties to access funds. Thus, the fund does not reduce fragmentation. Contrary to this, some CSOs leaders assert, the fund seems to have fuelled tensions among CSOs, increasing "unfair competitiveness", "dispersion" hampering mutual understanding.

5. CONCLUSIONS: WHY THE NAA IS NOT HELPFUL IN AN UNDEMOCRATIC ENVIRONMENT

Throughout its history Nicaraguan civil society has shown that, notwithstanding the co-optive forces of political parties, it can play both democratic and developmental roles. Civil society formed a counterweight against Somoza and allied with the FSLN in order to remove him from the presidential position. Under the Sandinista regime, CSOs aligned with the state to implement development policies and contribute to the pro-poor agenda. Under neoliberal governments, civil society shifted into a watchdog by holding governments in check, taking the lead of channeling aid and, to a great extent, providing welfare at the margins of the state. When the NAA was introduced, civil society achieved important levels of autonomy vis-à-vis the state, increasing its activism in the political arena.

In light of the present context, pressuring CSOs to fulfill democratic roles is troublesome and might undermine organizations' potential for social change. According to a leader of a women's movement, the roles of voice and accountability are feasible in democratic or relatively democratic environments. While these activities were possible to a certain degree under the Alemán presidency and even to a higher degree under the Bolaños government, they are now impossible under Ortega. Since the FSLN came to power, tensions have increased. It has become more and more difficult for civil society to get organized and build coalitions. As a result, accountability is inconceivable as the government threatens and oppresses any opposition. Free expression is only allowed to "friendly" organizations. Given these conditions, the only credible role for CSOs is either service delivery or confronting the state. However, the current trends show that organizations under government threat shy themselves away from political roles and, consequently, adjust to monitoring and/or delivering services at the local level.

To create incentives for building alliances and set common objectives as donors also try to do may not be useful either. Although all the organizations we interviewed are part of an umbrella organization, network, federation or other types of coordinating structures, they are still fragmented. However, this is not surprising as after Ortega took over power, civil society has been failing to nurture social capital. In the words of one expert "although belonging to umbrella organizations and networks, CSOs are unable to articulate interests in a coordinated manner as they historically have been perceived fragmented and politically divided between left and right". Thus, it is confirmed that under the current presidency, this division has been strikingly accentuated by a cleavage between supporters and opponents of President Ortega.

This case shows once more that civil society is not a homogenous entity, and organizations do not per se have common interests as they embrace different values and approaches to development (Bebbington et al. 2008; Mercer 2002). Moreover, civil society constitutes a “more problematic sphere” where interests of “both state and society” compete (Mercer 2002:11). Long-term effective coalitions and mutual understanding between umbrella organizations, movements and NGOs are difficult to achieve.

In general, the NAA needs to attend more to sensitivity and realism in light of political contexts in developing countries. As evidenced in Nicaragua, imposing the single role of watchdog on civil society is ineffective and unrealistic as civil society has been playing and still can play different roles in different contexts. The NAA should not be treated as a rigid blueprint but, rather, as a guideline for implementation of reforms dependent on the given situation in the country of concern without undermining the diversity of roles and plurality of civil society organizations. It is essential, therefore, to be flexible with respect to certain conditions/requirements at different stages too. Stocktaking of good and bad practices and political economy analysis could lead to a better understanding of how and under what conditions actors of civil society can be the drivers of change in undemocratic contexts. In turn, this requires applying the NAA in a less technocratic way and donors recognizing the politics embedded within any development process when supporting partner countries.

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ANNEX I: LIST OF ABBREVIATIONS

CONPES: Consejo Nacional de Planificación Económica y Social / National Council for Social and Economic Planning
CSOs: Civil Society Organizations
FSLN: Frente Sandinista de Liberación Nacional / Sandinista National Liberation Front
IADB: Inter-American Development Bank
INGOs: International Non Governmental Organizations
MDGs: Millennium Development and Goals
NAA: New Aid Approach
NGOs: Non Governmental Organizations
PDH: Plan Nacional de Desarrollo Humano / Human Development Plan
PLC: Partido Liberal Constitucionalista / Constitutionalist Liberal Party
PRSP: Poverty Reduction Strategy Paper
SAP: Structural Adjustment Policies
USAID: United States Agency for International Development

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