TO FUND OR NOT TO FUND?
How and why governments support - and do not support - civil society in different policy sectors

Maria Sandberg
Abstract

The role of civil society organizations (CSOs) as independent agents, aspiring to participate in shaping official policies and the decision-making process, has continued to grow in the recent decades. In order to maintain themselves and actively operate on the issue areas, they turn to different sources of funding, the effects of which has created a certain degree of dispute in the academia. In particular, funding from national government institutions has raised concerns. It is discussed that in some sectors the civil society has not received enough financial support from government that it deserves in a democratic society, while simultaneously organizations in other policy fields seek to avoid close cooperation with government to preserve their voice in criticizing the official policy. What determines the difference between policy sectors, that make some CSOs secure government funding and rely on it heavily, while others publicly proclaim their financial independence from national institutions?

This research examines theoretical claims that it is CSOs’ utility to the donors and the level of sensitivity of the sector that shape how reliant a CSO might be in a given sector. It contributes to further theory-development by placing government as CSOs’ donor in focus. In doing so, this thesis assumes that the level of democracy in the country and its performance in a given sector define the sensitivity of a given policy sector from the government perspective, which, in turn, affects the likelihood of CSOs receiving government funding. The empirical part of the research applying multiple OLS regression tests these claims using the European Transparency Register, the only publicly open database that contains detailed information on CSOs’ funding volumes and sources. The analyses show that the level of democracy and a country’s performance in the policy sector shape the sensitivity of the sector from government perspective and, together with CSO’s utility, impact the extent to which they receive funding from government.

Key words: civil society; civil society organizations; CSOs; government funding; policy sectors; policy fields
Table of Contents

List of Acronyms .................................................................................................................. 4
Introduction ............................................................................................................................ 5
Literature review ...................................................................................................................... 8
  CSOs: concept definition ...................................................................................................... 8
  The interplay between government and CSOs ................................................................. 10
    Legislation as a tool of CSOs regulation ......................................................................... 11
    The effect of funding on CSOs performance ................................................................. 12
Theoretical framework ......................................................................................................... 16
  Interorganizational theory ................................................................................................. 16
  The concept of policy sectors assessment ....................................................................... 16
Analytical framework .......................................................................................................... 20
  The conceptualization of policy sectors ......................................................................... 20
  The sector-assessment model ......................................................................................... 22
Research design .................................................................................................................. 24
  Aim and hypothesis ......................................................................................................... 24
  Data ................................................................................................................................... 25
  Variables ........................................................................................................................ 28
    Dependent variable ..................................................................................................... 28
    Independent variable .................................................................................................. 30
    Control variables ....................................................................................................... 31
Method and analytical strategy ............................................................................................. 32
Analyses / Results .............................................................................................................. 33
  Descriptive statistics .................................................................................................... 33
  Analysis 1: across all sectors ....................................................................................... 34
  Analysis 2: for each respective sector ......................................................................... 35
    Environment and justice .............................................................................................. 36
    Security and finance .................................................................................................... 38
    Humanitarian aid and youth ...................................................................................... 39
Results .................................................................................................................................. 41
Diagnostics .......................................................................................................................... 42
Conclusion ............................................................................................................................ 43
References ............................................................................................................................ 47
Appendices ............................................................................................................................ 53
  Appendix 1. The European Transparency Register ....................................................... 53
  Appendix 2: Fields of interests self-selected by organizations in the ETR ..................... 57
  Appendix 3: Correlations between the independent and control variables ................... 59
  Appendix 4: Collinearity statistics ................................................................................. 61
  Appendix 5: Distribution of the residuals .................................................................... 62
List of Acronyms

CSO Civil society organization
EPI Environmental Performance Index
ETR European Transparency Register
EU European Union
FH Freedom House
iCSO The integrated Civil Society Organizations System
IO International organization
JTRS Joint Transparency Register Secretariat
NGO Non-governmental organization
UIA Union of International Associations
Introduction

Enhancing civil society participation in international governance has attracted a considerable amount of scholarly interest. First considered to be efficient subcontractors of public services provision, civil society organizations (CSOs) rapidly grew in quantity both in the western countries and developing parts of the world, then transforming into (or at least aspiring to be) independent grassroots agents with the high level of expertise in their specific issue areas.

While the role of CSOs as independent agents representing the needs of specific communities is growing, the issue of their funding sources and its impact on their performance remains open. National governments are a primary source of funding for CSOs, a phenomenon which is fraught with tensions and tradeoffs for both civil society and government. Sceptics claim that as governments may deem CSOs a threat to governmental authority, they can significantly undermine CSOs autonomy through financing. At the same time, others insist that governmental funds might actually foster CSOs performance, and while some organizations, such as the Amnesty International, publicly declare their financial independence from state, others persist in seeking closer collaboration with their national government institutions. Given that stronger democracies are supposed to promote and support civil society, which in reality is not always the case, what exactly determines government incentives to establish more profound cooperation with CSOs and to financially support their activity?

Some scholars made an attempt to address this issue by examining what determines CSOs aspiration and ability to secure government funding in different policy sectors. It has been claimed that environmental CSOs and organizations, engaging in political activity, tend to abstain from government funding in order to preserve their autonomy and ability to criticize the official policy (Ebrahim, 2003; Ostrander et al., 2005; Child and Gronbjerg, 2007). In contrast, humanitarian and health organizations are perceived as avoiding confrontation with government and even heavily relying on it in order to maintain themselves financially and conduct their costly operations in the developing countries (Mosley, 2011). It has thus been articulated that in different policy sectors CSOs reliance on government funding differs considerably, however, the academic literature has so far lacked the comprehensive examination of the role of policy sectors and their effect on the government share of CSOs funding.
In order to address this gap, this research turns to the theory that conceptualizes policy sectors by deriving two factors that define them and affect the level of cooperation that donors might seek with the civil society: CSO’s utility to donors and the sensitivity of the sector from donors’ perspective. According to this theory, donors decide whether to establish close partnership with and provide funding to CSOs, based on how useful their expertise might be in the given sector and whether donors are willing to concede their dominance in the sector and expose themselves to the critique from the civil society. The theory suggests a framework to assess CSOs’ utility and the sensitivity of the sector.

While this theory derives conclusions by observing the cooperation between CSOs and international organizations, this research, on the other hand, aspires to expand this theoretical framework by placing the focus on the interplay between CSOs and government. While the model that assesses CSOs’ utility to donors is highly plausible, the sensitivity of the sector will vary from government to government and needs to be addressed separately. This research contributes to further theory-development by examining what factors make a policy sector particularly sensitive to governments and how the amount of government funding to CSOs varies in the sectors with different levels of sensitivity.

Based on the previous literature and theoretical framework, this thesis makes an assumption that the level of democracy and country’s performance in a given sector determines the level of sensitivity of an issue area. I propose a model that allows me to assess the likelihood of CSOs reliance on government funding, based on the CSOs’ utility to government in the sector and the level of its sensitivity. Finally, I test the proposed model by conducting an empirical analysis, examining whether the level of democracy and country’s performance in a given sector affect the government share of funding in CSOs budgets.

The research attempts to answer the following question: how can the sensitivity of the policy field that a CSO is active in be assessed from government perspective and what affect does it produce on CSOs government share of funding? The aim of this research is thus to examine whether certain factors affect the sensitivity of a policy field and thus produce an impact on CSOs government share of funding. The paper seeks to reach this goal by drawing on the data
from the European Transparency register, which currently provides the fullest database on the NGOs activity, financial sources and relationship with other actors.

By addressing the gap in the previous discussions, where the impact of policy sectors on the structure of CSOs funding has been overseen, the thesis contributes to a more profound understanding of the interplay between the civil society and government within different sectors across various national settings. It seeks to explain the CSOs ability to secure government funding and reveal the factors that make government show greater willingness to provide funding to CSOs in one sector, while abstaining from the cooperation with them in the other.

According to the findings of this thesis, a country’s performance on democracy and in policy issue contributes to the sensitivity of certain policy sectors and thus affect CSOs government funding share. Environmental and human rights organizations in strong democracies are more reliant on government funding, while in security and finance sectors governments are generally significantly less inclined to provide funding to civil society. Finally, in humanitarian aid and youth sectors CSOs’ government funding share is more considerable, regardless of its countries performance.

The thesis proceeds as follows: after defining the principal features of civil society, the previous research on the interplay between government and civil society organizations, as well as the effects that government funding produces on their relation, is addressed. Then, the theoretical framework that explains the nature of that interplay with regard to different policy sectors is discussed, followed by the analytical framework, in which the sector-assessment model is defined, out of which a hypothesis is developed. After that, I elaborate on the research design, analytical strategy and the choice of variables, before presenting the results of regression analyses. In conclusion, the limitations of this study and possibilities for future research are discussed.
Literature review

This section addresses the previous research on defining civil society, the interplay between government and civil society organizations, the patterns in allocating government funding to CSOs, and the effect it produces on the CSOs’ performance.

CSOs: concept definition

There is a rich variety of definitions and meanings of “civil society”, however, some common features derived from the literature define civil society as a sector that exists between other established or basic social institutions (Muukkonen, 2009) or, in other words, as a realm between the state and the private sector (Godsäter, 2013). Najam (2000) metaphorically illustrates the institutional landscape as three distinct sets of organizations – the prince, the merchant and the citizen. The former – the prince – implies the state sector, that represents the interests of the dominant groups through its legitimate authority and functions within the political system. The second set of organizations – the merchant representing the market sector – is concerned with the production of goods and services and operates in terms of economic exchange and profit maximization. The third set – the “voluntary associational sector” (or civil society, in other words) – aims to implement certain social aspirations. It achieves this goal through the shared values of its patrons, members, and clients; it represents the voice of those who consider their interests marginalized.

Civil society might include a rich variety of actors such as NGOs, networks, community-based organizations, interest groups, trade unions, social movements, faith-based organizations, academic institutions, clan and kinship circles, lobby groups, youth associations and business organizations (Godsäter, 2013). It is important to highlight that in the scope of this research, due to the specificity of the database we work with, in the empirical analysis we are limited to NGOs. However, we address the literature on CSOs on a broader scale, as “civil society organization” is a broad term, encompassing all the organizations and associations that exist outside of the state and the market (Carothers, 1999), NGOs included. Thus, I acknowledge that these two definitions are not fully interchangeable but try to address the broader scope of all CSOs whenever possible.

Vakil (1997) defines CSOs functions, depending on their orientation, referring to the type of activities they engage in. First, service providers are the organizations that act as
intermediaries in delivering various types of social services to other organizations, or directly to people. Secondly, an advocacy orientation applies to those organizations that aim to influence policy or decision-making related to particular issues. Thirdly, development organizations work to support the capacity of local communities in the developing countries to provide for their own basic needs. Finally, research orientation implies the goal to conduct research on specific topics and reveal results to various stakeholders.

Having been a quite old concept, probably predating government in both form and function (Hodgkinson, 1989), civil society organizations re-emerged as important political actors in the late 1980s – the beginning of 1990s and since then has moved to the centre of the international stage in the last thirty years (Muukkonen, 2009; Edwards 2009). This development can be explained by a number of reasons. For example, scholars point out the fall of communism leading to a democratization of society in the former East, the popular uprisings against dictatorial states in Latin America (Edwards, 2009) or the establishment of the New Policy Agenda in the social, political and economic relations in the West (Clayton et al., 2000). The latter is considered to create the idea of subcontracting public services to civil society organizations, which eventually dominated the political discourse. The new policy promoted favoring CSOs over centralized government powers, which fostered the increase in their number all over the world (Fisher, 1993; Edwards and Hulme, 1996).

The reasons to believe that CSOs provide public services and represent the population in need in a more effective way derive from their “grassroots” nature and the lack of commercial motives. Thus, for example, CSOs tend to deal directly with local target groups (Riddell, 1995), are not likely to be distracted by commercial interests (Nancy and Yontcheva, 2006), and have higher expertise in working in difficult environments (Edwards and Hulme, 1996; Koch, 2007). CSOs have been argued to contribute to democratic citizen participation by informing the citizens and give voice to the communities in need (Reimann, 2006; Beyers and Kerremans, 2007; Greenwood, 2007; Mahoney, 2008; Mahoney and Beckstrand, 2011). Due to their proximity to the grassroots and advocacy for those issues that government fails to recognize or resolve (The World Bank, 1995; Woods, 2000), CSOs serve as a vital partner to the government, contributing their expertise and experience (Boris and Krehely, 2002; Berry, 2003).
The interplay between government and CSOs

As we have observed, there are many incentives for the fruitful coexistence of civil society and government. In a well-functioning democracy, the government should not interfere with CSOs activity. However, in practice, far from all countries are democratic and far from all democracies are strong enough to allow for profound civil society participation, especially regarding ambiguous and controversial sectors such as political opposition or finances. In theory, there are two implications for the conflict of interest to arise.

The first implication lies in the fact that despite different frameworks and concepts, that define CSOs, one feature remains unchanged: the clear distinction of the civil society sector from the government (Scholte 2002; Söderbaum 2007). Najam (2000) goes so far as to claim that the contraposition (or the “necessary tension”, as the author calls it) between these two actors is so natural, that if it disappears, “it would mean only that at least one of the two has ceased to be what it essentially is”. As they operate in the same policy, it is inevitable that at some point their interests, priorities or goals are going to collide.

The second implication for the conflict would be the resource-dependence theory. According to it, government’s power over CSOs is equal to CSOs dependence on governments resources, which might be expressed as funds, expertise, information or the ability to influence the decision-making process (Hillman et al., 2009). CSOs, not being able to generate themselves all the resources that they need for their existence and meaningful activity turn to cooperation with other actors, including governments (Aldrich and Pfeffer, 1976). In exchange for the promise of the undisrupted access to the needed resources governments theoretically have power to monitor, influence and regulate CSOs activity, which they often resort to (Ruggiano and Taliaferro, 2012).

Combined, these two implications create a foundation for the conflict between governments and CSOs. It tends to lead to the situation where governments hold positions compatible with some civil society groups and even collaborate with them. But eventually, as governments find themselves criticized and challenged by CSOs, they oppose these organizations and gain by denying them access and influence (Beyers et al., 2008).

Hence, many governments are likely to discriminate among CSOs and try to regulate and influence their activity. We define two mechanisms through which governments might
exercise the excessive power and limit NGOs role as independent actors in democratic citizen participation.

Legislation as a tool of CSOs regulation

The first mechanism that government might use to control NGOs is a restrictive legislative regulation. Legal rules might suppress NGOs political activity and put their existence into question. Governments may wish to enforce registration and monitoring mechanisms in order to keep track of NGOs activities to ensure quality and accountability (Gilson et al., 1994, Green and Matthias, 1997). Governments may also desire to regulate or restrict NGOs, when they are afraid that NGO activity could challenge state ideology (Hulme and Edwards, 1997; Wiktorowicz, 2002).

Examples of that might be found throughout the world. For instance, Chavez (2004) explains that in the U.S. there are legal limits on the extent to which non-profits may engage in political activity. It is completely prohibited for non-governmental organizations to express their support or opposition to candidates running for office, while lobbying is permitted to NGOs as long as it does not constitute a “substantial” part of their activities. In Bangladesh, NGOs emergence has been considered as a threat to government hegemony and the legislative response was explicitly regulatory, while in Vietnam non-profits are mostly headed by Communist Party members and are required to have a government counterpart, which makes opposing political activity impossible (Mayhew, 2005).

Venezuelan national assembly passed a law in 2010 that prohibits foreign funding for NGOs and political parties, which made many human-rights groups fully dependent on limited domestic donations and thus drove many of them to shut down¹. The opposition to Hugo Chavez government claimed that the law “criminalised and persecuted the democratic opposition”² but was unable to counteract. Meanwhile, Russia also requires NGOs to report political activities and receipts of foreign money (Crotty, Hall and Ljubownikow, 2014; Dupuy, 2016). Moreover, the so called “foreign agent” law requires non-profit organizations

---

that receive foreign donations and engage in “political activity” to register and declare
themselves as foreign agents, which leads to their stigmatization in the political community.

In 2016 Israel’s parliament, the Knesset, passed a law that forces human rights groups that
receive more than half their funding from abroad to disclose it prominently in official
reports. The law requires groups to declare they are reliant on foreign funding in all dealings
with officials, and on TV, newspapers, billboards and online. This selective law, that leaves
out right-wing pro-settlement NGOs, aims at non-profits, campaigning for Palestinian rights,
and is argued to cast a shadow and stigmatize them in the society.

Thus, strict legislative regulations are a widely-practised tool for governments to control and
influence NGOs, limiting or eliminating their autonomy and independence.

The effect of funding on CSOs performance
The second possible governmental mechanism to constrain or control CSOs is funding,
although it is quite ambiguous, as the literature points out.

CSOs might aspire to seek governmental funding in the search of an extensive and relatively
steady source of funding, as compared to membership fees, public proceeds or donations.
Some argue that state financial support and thus the perceived proximity of an NGO to
government might grant this NGO more credibility (Baumgartner and Leech, 1998;
Pallas and Uhlin, 2014). CSOs can also use government funding to build capacity to collect
information and summon expertise (Leech, 2006; Ruggiano and Taliaferro, 2012). If CSOs’
agenda and state official policy are aligned, the relationship between government and civil
society becomes symbiotic. Government funds act as reinforcement for organization’s
political activity, as government takes upon itself a large part of expenditures on promoting
and resolving the issue. In this case, CSOs are released from the necessity to extend their
expenditures on lobbying, thus making their financial foundation more sustainable
(Viravaidya, 2001; Davis, 2015).

---

3 The Guardian. 2016. Available at: https://www.theguardian.com/world/2016/jul/12/israel-passes-law-to-force-ngos-to-reveal-foreign-funding
Moreover, Lecy and Van Slyke (2013) claim that government funds seem to lead to the surge in the number of non-profit organizations, whereas private funds do not produce any significant impact on their density. They have examined different funding sources of human services nonprofit organizations in the U.S. and arrived at the conclusion that it is government funding in the form of grants and contracts that appears to have the most substantial effect on the growth rate of nonprofits. They find that an increase of roughly $5 million in governmental support has the effect of increasing the number of human services nonprofits by one additional organization. Meanwhile, it needs five times as many private funds to promote establishment of one NGO. To conclude, based on their empirical test, government funds might promote the establishment of new CSOs and their reinforcement.

Another group of scholars have found no evidence to the government interference with CSOs activity, if these organizations are state funded. For instance, Chaves et al. (2004) examined this relationship using two data sets: a national sample of religious congregations and a longitudinal sample of human services non-profit organizations in Minneapolis - St. Paul. They aimed to observe covariance between the government funding that faith-based organizations receive and the amount of political activity they exercise. This political activity is measured by whether the congregation had a group meeting to organize a demonstration or discuss politics and whether people at worship services have been told about the opportunities to participate in campaigns petitioning or lobbying. According to the results of their research, government funding does not suppress non-profit political activity. In fact, those congregations that received government funds were more likely to engage in lobbying activity than those who did not have public support.

The similar conclusion is drawn by Child and Gronbjerg (2007) that conducted a large survey of Indiana non-profit organizations and compared non-profits with intensive involvement in advocacy to those who do not exercise advocacy at all. They revealed that organizations’ reliance on government funding do not generally help differentiate non-profits that advocate from those that do not, in contrast to the size of organization, its access to information and the field of activity. Although the authors mention that when government funding constitutes more than one half of organization’s revenues, its odds of participating in advocacy decrease by 70%, they refrain from making a causal argument and do not include the government share of total funding as the factor that could affect organization’s advocacy.
However, we find arguable limitations of these research. First, it has only focused on the non-profit organizations located in the U.S. It is a significant factor that might hinder generalization of their results, as national context (restrictiveness of national regulations) is considered to play an important role in the degree of non-profits political activity and largely vary in different regions (Bloodgood and Tremblay-Boire, 2017). Secondly, this research group has only focused its attention on whether government funds decrease the volume of CSOs’ advocacy practice or not. Types of advocacy, the reasons for its volume fluctuation, the difference in advocacy expenditures across different policy sectors was briefly mentioned but was left uncovered due to data limitations. Finally, this literature group took into consideration those non-profits that do not have advocacy or political activity as their primary goal, which significantly complicates generalization of the conclusions and lead to a certain degree of results distortion.

Another group of scholars adheres to the opposite argument, claiming that donors may negatively influence the ability of nonprofit organizations to advocate and therefore create a threat to their autonomy, undermining their core ability to act as independent actors.

Donors can interfere in NGOs’ activity via threats to withdraw funding should the organizations agenda become too radical. Resource dependence theory states that governments can control organizations by managing access to vital resources (Ruggiano and Taliaferro, 2012). If NGOs do not abide with the rules, defined by donors, they are likely to cease to exist (Beyers and Kerremans, 2007; Mitchell, 2012). In return for regular financial support, government expects compliance with its ideology and official policy and perceives NGOs as subcontractors, called to deliver social services on behalf of state (Sanchez Salgado, 2010; Neumayr et al., 2015). Thus, there is evidence to believe that government funding is likely to reduce NGOs’ independent political activity.

Some scholars voice concerns that even if governmental funds do not suppress advocacy per se, it might hypothetically change its nature. A group of scholars have constructed theoretical frameworks to explain this pattern. Mosley (2011) stated that those organizations that receive governmental funds tend to focus primarily on brokering resources and promoting the organization rather than on substantive policy. Moreover, the author later added that to be perceived as a partner and to ensure continuing funding these organizations abide to reject confrontational methods of advocacy (Mosley, 2012). These reasons constitute an evidence to
the fact that governmental funds might weaken CSOs’ incentives and reduce their activity to operational work, rather than policy influencing.

This conclusion is supported by a quantitative research, that reveals the dampening effect of government funding on NGO lobbying. The statistical evidence to the hypothesis that government share in NGO funding is negatively associated with lobbying expenditure seems to have been revealed (Bloodgood and Tremblay-Boire, 2016). According to it, the more money nonprofit organizations get from the government, the less they spend on lobbying. The authors state that it might serve as a signal to the alarming tendency of NGOs to avoid confrontational advocacy if their agenda does not coincide with the official one. Finally, it is likely that CSOs tend to self-select their financial sources based on ideology and goals in order to avoid confrontation and external influence (Beyers et al., 2008).

Two limitations can be derived from the extensive literature review. Firstly, the largest part of the research on this subject has been conducted qualitatively with rear exception, due to the complexity of the subject and the lack of measurable data on it until recently. Secondly, the aggregation of all CSOs in the previous research, with no distinction of their sector, size or national context of the countries they are based in, distorts the outcome. This research aims to address these limitations and complete the existing findings with the more nuanced look on CSOs funding, sectors where they perform and national context of their countries.

To sum up, this study examined scholars’ findings on the CSOs relations with government and the effects of their funding on organizations’ activity. While no unanimous consent can be found in the literature, an alarming tendency can be summarized. The effect of government funding might result in the loss of autonomy by CSOs. Whether they cease to exist, transform their advocacy or reduce lobbying expenditures, they are incentivized to do so because they might lose their autonomy as soon as they receive funds from government, that through financial support is likely to express its influence on CSOs. It might undermine the very nature of civil society, which explains why the question of this research is important to address.
Theoretical framework

This section seeks to address the encompassing theoretical frameworks, that would explain the incentives for the CSOs – government cooperation and how this partnership might be affected by the funding allocated to CSOs.

Interorganizational theory

To understand the complex nature of interaction between CSOs and government, it is necessary to examine why this cooperation emerges in the first place. A starting point for incentives of their partnership could be found in theories of cooperation from organizational sociology, in particular the research on interorganizational relations. “Organizational exchange is any voluntary activity between two organizations which has consequences, actual or anticipated, for the realization of their respective goals and objectives” (Levine and White, 1961). The idea behind this theory is that organizations trade some resources for their mutual benefit. The exchanges resources might imply material benefits, such as money transfers or stuff exchange, or immaterial resources, for example insider information.

The nuanced nature of this exchange is further developed by the resource-dependency model, which claims that organizations are not able to internally generate all the resources that they need to maintain themselves (Aldrich and Pfeffer, 1976). As a result, they strive to acquire and sustain resources from the external environment (Pfeffer and Salancik, 2003). The resource dependence theory is based on three principals. First, any organization needs resources to survive and pursue its goals; second, an organization can obtain resources from other actors; and third, power and its inverse, dependence, play key roles in understanding interorganizational relations (Cho and Gillespie, 2006; Malatesta and Smith, 2014). The last principle implies that the balance of power usually favors the resource providers (in our case, government) and consequently results in needing organizations (CSO) becoming constrained and limited in their activity.

The concept of policy sectors assessment

Building on this classical model of interorganizational relations, Steffek (2010) went even further while studying the interaction between international organizations and NGOs and developed a model of the “policy cycle”. According to this model, an organization is willing to grant access to other actors whenever it perceives a need for resources that these actors can
provide, considering the precondition that other actors are willing and able to offer the requested resources. On the contrary, in case an organization prefers to act independently and retain its dominance in a certain sphere, it leaves other actors out of the discussion. The author of this theory underlines that the most important role in determining whether an organization is going to seek cooperation with others or not is played by a policy field that it is acting in.

This research aims to apply this theory to the government-CSOs funding relationship. Thus, the theoretical model dictates that government will be willing to fund CSOs in those policy spheres, where it feels a need for CSOs resources (e.g. expertise or personnel), while leaving CSO without financial support in those policy sectors where it aspires to retain its dominance. In the following section I address theoretical implications, regarding what policy sectors should be deemed the most sensitive to government authority and where government is likely to need CSOs the most.

As mentioned earlier, Steffek’s theory (2010), that this thesis seeks to test, has the interplay between international and civil society organizations in focus and it suggests that the cooperation between international organizations (IOs) and CSOs is majorly affected by the policy sector that they work in. His research relies on the documentary evidence and semi-structured interviews with the officials of 32 international organizations. He looks at the data regarding the conditions of access that CSOs have to the policy-making process of international organizations, two major elements of which are recognition and consultation. The research studies different types of CSOs accreditation and registration in the IOs’ networks and examines a range of consultations that IOs organize to extend CSOs’ involvement in their activity.

Having carried out the study, Steffek claims that the level of cooperation between international organizations and CSOs is explained by the policy field that the actors are active in. To be more precise, it is the sensitivity of the policy sector and the utility of CSOs to partners that determine how closely these actors will cooperate, whether they fund CSOs and to what extent they invite CSOs to participate in the decision-making process.

Thus, Steffek states that IOs engaged in human rights protection presumably have a high need for outside assistance in setting their agenda. It is justified by the fact that human rights violation are dispersed phenomena that take place in local contexts all over the world, and
while IOs are limited in staff, they need CSOs assistance in uncovering and combatting these issues in all areas of the globe simultaneously. Moreover, member states have reasons to be reluctant to transmit such sensitive data to the IOs, thus deeming independent CSOs expertise more valuable. These reasons make IOs more likely to financially support the existence of CSOs in this sector. One of the most prominent examples, confirming this presumption, is represented by the position, taken by Amnesty International, one of the largest civil society actors combatting for human rights worldwide. It explicitly points out that it “neither seeks nor accepts any funds for human rights research from governments or political parties”\(^4\), while the European Commission’s contribution to this organization constituted £259 000 in 2007\(^5\).

Steffek expects a similar pattern to be observed in the environmental politics. Its agenda needs to be frequently transformed, as new scientific discoveries in this field occur regularly. These discoveries are made outside the IO bureaucracy and the governmental apparatus of member states; therefore, these actors need CSOs issue-specific expertise, knowledge and resources.

According to this theory, the opposite situation seems to prevail in those areas in which states have particularly high stakes and domestically remain central players, such as security and finance. As state struggles to behold its autonomy and control in these fields, there seem to be very few incentives for policy-makers to open such policy fields to the insight and influence of CSOs.

The following table, based on the principles of Steffek’s theory, was recreated to visually demonstrate the level of sensitivity and CSOs utility in four policy sectors: environmental politics, human rights protection, security and finance. Steffek (2010) formulated four activities, in which IOs might need civil society groups’ help, such as 1) to identify the problems in the respective sector; 2) to gather expertise on the relevant issues of this sector; 3) to implement the policy; 4) to monitor its success.


\(^5\) NGO-monitor. Available at: https://www.ngo-monitor.org/reports/breaking_its_own_rules_amnesty_s_gov_t_funding_and_researcher_bias/
Table 1. Policy fields and the level of CSOs utility to international organizations segregated into four separate areas where civil society organizations’ contribution might be deemed useful, reproduced from Steffek (2010, p.73)⁶.

<table>
<thead>
<tr>
<th>Resource policy field</th>
<th>Identification of problems</th>
<th>Policy-relevant expertise</th>
<th>Implementation capacity</th>
<th>Monitoring of success</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental politics</td>
<td>High</td>
<td>High</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>Justice and Human rights protection</td>
<td>High</td>
<td>Low</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>Security</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Finance</td>
<td>Low</td>
<td>High</td>
<td>Low</td>
<td>Low</td>
</tr>
</tbody>
</table>

This table demonstrates that, according to Steffek’s theory, in the environmental and human rights sectors IOs need CSOs to assist them in identifying the most relevant issues and to monitor the implementation of policies. In the meanwhile, in the security sector IOs seem to prefer to manage without any involvement from CSOs. The similar pattern can be observed in the finance sector, although Steffek claims that in the financial as well as environmental politics IOs are more likely to need CSOs expertise on the relevant issues⁷.

Remarkably, within all of the mentioned sectors IOs are not expected to request CSOs assistance in the implementation of policy, as Steffek’s study of consultations, meetings and workshops of IOs and CSOs demonstrates. According to the theory, it might be explained by the fact that CSOs by their nature do not have much authority to implement policies, which on the large scale remains the sphere of government and intergovernmental organizations.

---


⁷ However, it needs to be mentioned that to examine the finance sector Steffek chose the IMF among others, which, as he mentions himself, is rather unique in establishing regular cooperation with CSOs, e.g. through The Civil Society Policy Forum; thus, this outcome should be treated with caution.
Overall, this framework demonstrates that IOs are in need of CSOs’ expertise and personnel within environmental and human rights policy fields, while they are more reserved from the cooperation within security and finance.

These findings are crucial to understanding the complex nature of CSOs as participants of policy-making. The most significant limitation of Steffek’s research is that it puts international organizations as CSOs’ cooperation partners and donors in focus. This thesis, however, aspires to address this limitation by examining government as the financial source that supports CSO activity. And while Steffek’s utility model, which assesses how CSOs might deem useful to their partners, is useful and highly plausible, the sensitivity of the sectors from government perspective varies greatly, a topic examined and conceptualized further in the next section.

**Analytical framework**

This section draws on the previous research, that studies CSOs funding sources in different fields, to analyze what factors that define policy sectors can affect government funding. Based on this summary, the comprehensive conceptualization of policy sectors is made. It enables to examine how Steffek’s model of policy sector assessment, discussed earlier, can be interpreted from government perspective.

**The conceptualization of policy sectors**

In order to define how the sector sensitivity can be assessed from government perspective, I address the existing literature that examines the CSOs-government interplay and the role of CSOs funding from national institutions in different policy sectors.

To begin with, scholars generally expect some sort of dependency between CSOs’ area of interest, their ambition regarding advocacy and lobby participation and the structure of their funding sources (Anheier and Salamon, 2006; Child and Gronbjerg, 2007; Stroup and Murdie, 2012). To be more precise, those organizations that wish to engage in more radical political activities in “justice”, “human rights” and “political opposition” policy sectors tend to avoid government funding, fearing that it will limit, control or delegitimize them, especially in the countries with flawed democracies (Ebrahim, 2003; Ostrander et al., 2005). However, in stronger democracies or “wealthier countries” the threat of abuse is much less relevant,
although CSOs there also risk the “co-optation and goal deflection” by their donors to some extent (Najam, 2000; Ebrahim, 2003). Thus, the research claims that the level of democracy in the country largely determines civil society’s willingness to engage into close cooperation with national institutions and becoming reliant on their funding.

Environmental, human rights, and social justice organizations might avoid any links to government so that they can maintain their autonomy and credibility as official policy critics, especially if the country performs poorly in a given sector (Wells, 2001). As the environmental and animal-related fields are significantly influenced by powerful industry interests and government regulations, civil society activists might tend to lean more towards cooperation with other non-governmental actors, if the government is reluctant to take action on the environmental agenda (Cable and Benson, 1993; Mertig et al., 2002; Child and Gronbjerg, 2007). In other words, if a country performs poorly in these sectors, civil society actors generally have more incentives to abstain from cooperating with national institutions or from receiving government funds in order to remain autonomous and critical to the official policy.

On the contrary, humanitarian, health and youth organizations are unable to act without large, reliable funding sources, which makes them more likely to avoid confrontation with state and seek more government funds (Mosley, 2011). It implies that organizations in the humanitarian aid and health policy sectors are generally not likely to confront their state and tend to be significantly more reliant on government funding in order to be able to conduct their work.

To sum up, the previous research on the features of government funding claims that in certain policy sectors CSOs are more likely to confront the state, especially if it performs poorly in a given sector or if it is not highly democratic. This potential confrontation contributes to the increased sensitivity of the sector from the government perspective, which in its turn defines the likelihood of CSOs reliance on government funding in this field. It signifies that CSOs in environment or justice sector will be more or less reliant on the funding from national institutions, depending on how well the state tackles environmental issues and how democratic the state is. On the other hand, in humanitarian sector, where organizations are considerably less likely to confront the state and are more dependent on it, the low sensitivity of the sector is likely to give governments more incentives to support CSOs financially.
The sector-assessment model

Combining these findings with the definition of CSOs utility to the donors, articulated by Steffek (see “Theory” discussions and Table 1), this thesis builds the following model that assesses the CSOs utility to governments in a certain sector and this sector’s level of sensitivity from government perspective.

According to Steffek’s theory, the assessment of sector sensitivity and CSOs utility to donors in this sector, allows to make assumptions about the likelihood of CSOs reliance on government funding. Thus, if the sector is highly sensitive to governments and they do not deem CSOs as particularly useful for the identification of problems and policy-implementation in this sector, it is very unlikely that CSO will receive significant amounts of government funding, as in the case of finance and security sector. On the other hand, if the sector is sensitive but CSOs might serve an essential tool in expertise and policy-implementation, the amount of government funding to CSOs will largely depend on the level of their country’s democracy (as discussed in literature, summoned above). Strong democracies are more likely to cooperate with civil society in sensitive fields than other countries, that are more restrained from self-criticism and are more willing to retain their dominance in sensitive issues. The presumption is that it is likely to observe this situation in the environment and justice policy fields. Finally, if the sector is not particularly sensitive to governments and CSOs assistance is highly required, the likelihood of such CSOs to be more reliant on government funding increases, as in the humanitarian aid and youth sectors.

The latter indicator is essential to this research, as in its empirical part below the likelihood of CSOs reliance on government funding (expressed in percent share of total budget) will represent a dependent variable. Its variation will help to establish whether such factors as the level of democracy in the country and its performance in the given sector (that determine sector sensitivity) indeed produce any significant impact on the CSOs government share of funding.

In the model, presented in Table 2, we thus include:

- **policy field** (environment, justice and fundamental rights, security, finance, humanitarian aid, youth) that a CSO is active in;
- **CSO’s utility** to donors in this field (as assessed by Steffek);
• sensitivity of the policy field to the government (as discussed above);
• likelihood of CSOs reliance on government funding (as % of total budget). As discussed above, the previous research claims that in the environment and justice sectors the sensitivity of the field and, hence, the government willingness to fund CSOs is affected by the level of democracy in the country and its performance in this area. The likelihood of CSOs reliance on government funding in these two sectors is thus assessed separately for strong and flawed democracies. Additionally, the analyses also examine if environmental CSOs operating in countries that perform well in the environmental sector receive more government funding than those operating in countries with comparatively poor environmental performance.

**Table 2. The assessment of CSOs utility to governments in six policy sectors and the level of their sensitivity. Based on these two factors, the likelihood of CSOs reliance on government funding (as percent of total budget) is assessed in each sector.**

<table>
<thead>
<tr>
<th>Policy sector</th>
<th>Utility</th>
<th>Sensitivity</th>
<th>Likelihood of CSOs reliance on government funding (as % of total budget)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Strong democracies</td>
</tr>
<tr>
<td>Environment</td>
<td>High</td>
<td>High</td>
<td>Likely</td>
</tr>
<tr>
<td>Justice and Fundamental Rights</td>
<td>High</td>
<td>High</td>
<td>Likely</td>
</tr>
<tr>
<td>Security</td>
<td>Low</td>
<td>High</td>
<td>Unlikely</td>
</tr>
<tr>
<td>Finance</td>
<td>Low</td>
<td>High</td>
<td>Unlikely</td>
</tr>
<tr>
<td>Humanitarian Aid</td>
<td>High</td>
<td>Low</td>
<td>Likely</td>
</tr>
<tr>
<td>Youth</td>
<td>High</td>
<td>Low</td>
<td>Likely</td>
</tr>
</tbody>
</table>

*Note: Levels of democracy is the key parameter that affects the sensitivity of some policy sectors in different national settings. In the area of the environment, however, country’s performance in tackling environmental issues also affects the sensitivity of the field and will be additionally controlled for in the empirical part of the research.*

As demonstrated in the table, if CSOs are not perceived as useful by governments and the sensitivity of the policy sector is high (sector and finance), there will be few incentives for governments to cooperate with and provide funding to civil society in these sectors, and thus the likelihood of CSOs reliance on government funding is likely to be rather low. On the other hand, if CSOs are potentially deemed useful by governments, e.g. during the natural
catastrophes and humanitarian crises or in work with local youth clubs and associations, and
the sensitivity of the field is not particularly high, a more considerable share of government
funding is likely to be expected by CSOs.

Finally, a slightly more complicated pattern is observed in those policy sectors, where
sensitivity is high but CSOs contribution is valuable and needed by governments
(environment and justice). According to the proposed model, strong democracies are likely to
prefer to openly recognize the problem and open a dialogue with civil society in order to
resolve the sensitive issue. Meanwhile, flawed democracies, or countries with undemocratic
political development, are likely to prioritize preserving the monopoly over sensitive
information and their dominance over the decision-making in the controversial policy areas.
Thus, the probability of CSOs receiving a lot of government funding in these sectors is rather
low.

**Research design**

This paper thus aims to examine how policy sectors explain the variances in the share of
government funding of CSOs. The European Transparency Register, a unique database
containing financial information on CSOs funding sources and open to public, provides the
data for this research.

**Aim and hypothesis**

This section presents the research question, aim and hypothesis of this research.

The research attempts to answer the following question: how can the sensitivity of the policy
field that a CSO is active in can be assessed from government perspective and what affect
does it produce on CSOs government share of funding?

The aim of this research is thus to examine whether certain factors (country’s performance on
democracy and policy issue) affect the sensitivity of a policy field and thus produce an impact
on CSOs government share of funding.

Thus, this paper presents the following hypothesis:
H: Policy sectors have different levels of sensitivity to governments, which affects/determines the share of government funding in CSOs budgets.

**Data**

Decisions taken by the EU administration affect millions of European citizens, therefore the decision-making process should be transparent to allow for proper scrutiny and greater accountability of the EU-institutions. As the EU cooperates with the large number of different groups and organizations, it strives to achieve transparency about what groups it interacts with. To fulfil this aim, the European transparency register was created.

It contains information about each organization, group or institution that works with the European Commission and the European Parliament. 3 787 of the registered non-governmental organizations are included in this research, based on the policy sector that they are active in. The first (and yet only) research, conducted with the help of the ETR, dates to 2012, when the quantity of the registered non-governmental organizations was only half of those registered today. This demonstrates the increased number of NGOs, that have been established since then, but it also shows the increasing interest and importance of the ETR for those NGOs that aim to influence the EU policies. It also adds value to this research, that thus has potential to be unique, relevant and up-to-date.

The ETR is rather thorough in defining what fits in the frames of non-governmental organizations. It specifies that this subsection includes non-governmental organizations, platforms, networks, ad-hoc coalitions, temporary structures and other similar organizations. The Transparency Register Implementing Guidelines clarifies that by non-governmental organizations it implies “not-for-profit organizations (with or without legal status), which are independent of public authorities or commercial organizations, which includes foundations, charities, etc.” It underlines the non-commercial nature of such organizations by warning that if the applicants’ mission includes substantial profit-making activities, they must be registered in another section (Section II “II - In-house lobbyists and trade/business/professional associations”).

---

Upon registration, the parties are expected to provide information, divided in the following sectors:

- Registrant (name of the organization);
- Section of registration (in the scope of this research it is limited to III – Non-governmental organizations);
- Fields of interests (see Appendix 2);
- Home country (where organization is registered);
- Countries of operation;
- Financial data (total budget, public financing, funding from the EU institutions, from national sources, donations, contributions from members).

Registration in this database is voluntary. However, in practice, it implies that any stakeholder that seeks access to these EU institutions and their representatives must register in this database, declaring who they are, what their mission is and what their budget consists of. Therefore, for those organizations that aim to participate in shaping and modifying the EU policies, the incentives to be in this register are very strong, and the detailed data provision is mandatory.

Parties that wish to gain access to the European Parliament and register in the ETR, are required to sign the Code of Conduct. By signing the Conduct and agreeing to its terms, the organizations oblige to ensure that all the entries are complete, up-to-date and accurate, which is regularly monitored by the Joint Transparency Register Secretariat (JTRS). In case of incompliance with the agreement, the JTRS has the right to temporarily suspend or remove the organization from the register (ETR: Annex IV “Procedures for Alerts & Complaints”). This regulatory mechanism gives groups and associations another incentive to be accurate and transparent with the information they provide.

---

9 The list of sectors in the online version of the database is slightly more extensive but I have excluded those fields that contain non-quantifiable data and/or are irrelevant to this research. Full list is displayed in Appendix 1.

10 In 2016 the European Commission conducted a public consultation and made a proposal in 2017 to make the registration in the ETR mandatory for all three EU institutions (Commission, Parliament, Council). The discussions are still in progress, however, an initiative on such a high level gives grounds to add value to this database and the information it contains. Available at: http://europa.eu/rapid/press-release_IP-16-3182_en.htm
To sum up, the following advantages of the ETR as the database for this academic research can be drawn. First, strong incentives for organizations to register in the ETR database, supported by its practical necessity (to gain access to the European Parliament). Secondly, strong incentives for the registered organizations to provide accurate and up-to-date information, otherwise they lose the opportunity to participate in the EU-policy shaping. Finally, compared to another two established data sources - UIA’s Yearbook of International Organizations\(^{11}\) and the United Nation’s iCSO data set\(^{12}\) – the ETR provides more complete and consistent data. Moreover, it is currently the only source of the extended financial data on the non-governmental organizations existing today and open to public.

However, this dataset also has its limitations for the further research. Firstly, all data is self-reported, which leaves a room for the concealed information or misinterpretation of the questions asked on the application stage. Lack of control over data quality might be the reasons for the reliability issue (Saunders, 2009). JTRS attempts to control for such errors by thoroughly monitoring the information provided by applicants, but we still need to account for a certain degree of inaccuracy and bias. Secondly, those organizations that do not actively operate on the EU-level and in partnership with the EU-institutions are not included in the register, therefore our data is limited to those NGOs that have EU policy level in their interests. It might potentially give concerns to the appropriateness of the data and the validity of the research (Denscombe, 2007). In that regard, we need to take precautions when generalizing the outcome of our results. Finally, the last reliability issue that might arise is the fact that data sources for all variables in this research are secondary and data were not collected explicitly for the purpose of this research.

Nevertheless, the employed data sources are all internationally recognized, and their databases are available online, in case one wishes to control for its accuracy. Despite limitations of the data, this research profits from its originality and uniqueness, as financial data on NGOs has never been collected before on the similar scale and with open access to public. In addition to that, the research benefits from the large number of cases – 3787, that

\(^{11}\) Union of International Associations, the Yearbook of International Organizations. Available at: https://uia.org/yearbook

enables to conduct a large-N analysis, aspiring to encompass as many organizations as possible throughout policy sectors and countries (for year 2016). It is a strong advantage, as the larger number of cases reduces bias in the estimates and makes the generalization of results more reliable.

Due to the specificity of the database, however, of all range of CSOs the thesis is limited to test NGOs performance. I acknowledge that these two definitions are not fully interchangeable but as “civil society organization” is a broader term, encompassing all the organizations and associations that exist outside of the state and the market (Carothers, 1999), including NGOs, I justify this substitution.

This study adopts a definition of an NGO, formulated in the ETR for the organizations that want to register there, according to which NGOs are formal non-profit organizations, including associations, charities, foundations, and civil society organizations. This definition is consistent with the literature (Tallberg et al., 2013; Pallas and Uhlin, 2014).

**Variables**

**Dependent variable**

The European Transparency Register contains financial information on the organizations that includes their total budget and the amount of funding received from national institutions, in form of procurements and grants from international organizations, as well as a contribution from members or donations. I systematized and sorted this information and created two indicators: total funding and government funding, containing information about how much funding (in euro) each organization gets in total and from national institutions respectively. I then figured what share (in percent) government funding constitutes from CSOs total budget. The following chart demonstrate what share of CSOs total funding comes from government in each policy sector.
This chart demonstrates the government share of CSOs funding in each sector respectively. The total amount of the funding that CSOs received from national institutions was summed in each sector separately. Then it was divided by the total amount of overall funding that a CSO has received in that sector. The chart above shows the outcome value – government share of CSOs funding – in percentage.

In line with theoretical expectations, the two dominant policy fields, where the majority of government funds are allocated to, are aid and youth. As predicted by our sector-assessment model (Table 1), these sectors are likely to be least sensitive to governments, while at the same times states are likely to need CSOs’ expertise and invite them to participate in policy-shaping in these fields. In contrast to that, security and finance are the two fields marked by the lowest flow of finances from the government. Again, in line with the proposed model, the high level of matters’ sensitivity and low CSOs’ utility in the sector, from the government perspective, national institutions in these sectors show considerably less willingness to provide funding to CSOs. Finally, in the environment and justice sector the CSOs funding share lies in the middle of the spectrum and needs further investigation in order for us to make assumptions about the impact of policy fields on it.

In the empirical part of the analysis the share of government funding from the total funding of CSOs is treated as a dependent continuous variable. In this way, this research will establish whether certain factors (country’s performance on democracy and in policy issue) do indeed
contribute to the changes in the level of sector sensitivity, and thus correlate with the
differences in CSOs reliance on government funding.

Independent variable
The aim of the empirical analysis is to establish whether the level of democracy in a country
produces an influence on the government funding share that a CSO relies on. To examine
that, the level of democracy in a country is measured by a Freedom House index (2017) and is
treated as an independent variable. Its “Freedom in the World” report is an annual study of
political rights and civil liberties, which assesses 209 countries and analyzes the electoral
process, rule of law and functioning of the government. It seems the most suitable
measurement in the frames of this study as it majorly accounts for the freedom of
associational and organizational rights, as well as personal autonomy and individual rights\textsuperscript{13},
which is essential for the civil society organizations’ existence and performance.

It is important to note that the preliminary data observation showed that the geographic of the
countries represented in the Register is not equally spread around the world, and many of
them are located in the Western hemisphere. Hence, there are a lot of organizations that are
registered in the countries with a high Freedom House (FH) score and are located closely to
each other in the rating but that receive different amounts of government funds. A simple
regression logic “the higher a country ranks on FH, the larger the government share of CSOs
funding in that country” would most probably fail to reveal more nuanced patterns of
government funding share variances when most countries have similar national settings. This
research resolves this issue by finding the mean of FH score in the employed database (92.4)
and dividing all CSOs on those that work in the strong democracies (above 92.4 FH score)
and flawed democracies (below 92.4 FH score). Such relative approach will help to
distinguish whether the countries with strong democracy are indeed more inclined on funding
CSOs and thus on fostering civil society participation. The independent variable is therefore
binary. Data is on a country level for year 2016.

\textsuperscript{13} Freedom House. About “Freedom in the World” (2018). Available at:
https://freedomhouse.org/report-types/freedom-world
Control variables

It is highly important to note that in the environment section, an additional control variable is presented that illustrates a country’s performance in tackling environmental issues: Environmental Performance Index (EPI). As “Analytical framework” section discusses earlier, both level of democracy and country’s performance in the sector is expected to explain why certain government are more cooperative with CSOs than others. EPI index enables us to control for this assumption. It represents a comprehensive measure of “countries’ performance on high-priority environmental issues” (EPI Report, 2016). The EPI scores are aggregated to a scale from 0 to 100, with 0 as a worst performer and 100 as the best score. However, in line with the proxy for government, due to the skewed selection of countries in our database, that leans towards democratic countries in the Western Hemisphere, there are many countries with the similar EPI but extremely various government funding share. In the case where countries under examination have very similar national settings, an EPI index as a continuous variable would fail to recognize the nuanced patterns of the correlation between a country’s environmental performance and its CSOs funding. In order to address this issue, as with the proxy for democracy level, we find the mean EPI score for all countries in the dataset (83.6) and thus create a dichotomous control variable: countries that are extremely good environmental performers (EPI score over 83.6) and those that perform worse (EPI score below 83.6). Data is on a country level for year 2016.

In addition to that, we draw on the previous similar research (Child and Gronbjerg, 2007; Bloodgood and Tremblay-Boire, 2017) and account for country’s GDP per capita, EU-membership, as well as organization’s size (in number of employees) and its level of operation (sub-national, national, European and global) to reduce omitted variable bias and control for any other factors that might explain the change in the government funding share.

GDP per capita is the measure for economic development and according to the previous research, societies can only move to post-materialistic values in those countries that secured the basic necessities and food and shelter first (Inglehart, 1981). Adding GDP per capita as a control variable would explain whether “richer” countries are better at prioritizing democratic values and supporting the strengthening civil society through funding it. Adding EU-membership follows the similar logic. Regarding organization’s size, Child and Gronbjerg (2007) claim that organizations with larger staff have greater motivation to advocate and greater capacity to secure funding, and this control variable seeks to test this assumption.
Finally, it is perceived that international NGOs activity and funding is deeply interconnected with the national settings of NGO’s country of origin (Stroup, 2012), and this research would benefit from adding the organization’s level of operation as a control variable to examine whether it can explain a CSO’s ability to secure government funding specifically, based on what level it expresses its advocacy on.

**Method and analytical strategy**

In order to determine to what extent policy sectors explain variation in the government funding share, multiple OLS regression method is used. The reasons for that are the following: 1) it reveals a correlation level between the government funding share and the country’s level of democracy; 2) statistical significance test confirms whether the correlation is systematic or at random (Field, 2013).

In the first part of the empirical test, all organizations are included in the analysis and the focal relationships are examined under control for country’s level of democracy as well as its GDP per capita, EU-membership and organization’s size and level of operation. The aim of this part is to a) investigate if the level of democracy produces an outcome on all CSOs, regardless of the policy sector, affecting their government funding share; b) examine whether any other factors (that are represented by the control variables) produce any significant impact on the share of government funds.

In the second part of the research I run six separate multiple regression tests on subsamples of organizations for each of the six policy sectors (environment, justice, security, finance, humanitarian aid, and youth). The aim of this part is to examine whether, in line with the theoretical assumptions of this research, in environment and justice sector the level of democracy and country’s performance contribute to the sector sensitivity and CSOs utility to government and thus affect CSOs government share. As predicted by the sector-assessment model, we expect stronger democracies to show more willingness to fund CSOs in these sectors than other countries. Moreover, according to that model, due to sector sensitivity and CSOs utility to governments, in security and finance sector, as well as humanitarian aid and youth, the level of democracy and country’s performance are not expected to produce impact on CSOs government share. These assumptions are to be tested in six separate regression tests in the second part of the research.
**Analyses / Results**

Multiple regression tests the explanatory power of main independent variable on the dependent variable, alongside with controlling for other effects (control variables). This section presents the results of the empirical analysis.

**Descriptive statistics**

First, the following table demonstrates the list of all variables, employed in the empirical analysis, with the description of their category, number, as well as mean, minimum and maximum values.

<table>
<thead>
<tr>
<th>Table 3. List of variables with descriptive statistics.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variables</td>
</tr>
<tr>
<td>-----------</td>
</tr>
<tr>
<td>Government funding share (in %)</td>
</tr>
<tr>
<td>Level of democracy</td>
</tr>
<tr>
<td>EPI</td>
</tr>
<tr>
<td>GDP</td>
</tr>
<tr>
<td>EU-membership</td>
</tr>
<tr>
<td>Size</td>
</tr>
<tr>
<td>Level of operation: -sub-national -national -European -global</td>
</tr>
</tbody>
</table>

*Note: In the empirical analysis, we convert the “level of democracy” and “EPI” to dichotomous variables, based on whether an organization works in a country with FH and EPI above or below the*
average. In this table, the minimum and maximum indicators are presented in order to demonstrate the large variation of countries with different national settings in the data. The minimum, maximum and mean indicators are not presented in this table for the “EU-membership” and “Level of operation” variables, as they are dichotomous.

Before running the regressions and interpreting the results, it is tested weather the OLS assumptions are met. The assessment of linearity was irrelevant for this research, as main independent variable is binary. Correlations between all the variables are within the acceptable range (see Appendix 3) and additional control for multicollinearity reveal no values for the variance inflation factor (VIF) or tolerance (Appendix 4) (Field, 2013).

**Analysis 1: across all sectors**

In the first part of the analysis the thesis examines whether the level of democracy produces any significant impact on all CSOs government funding share, regardless of the sector. The results are demonstrated in the Table 4, where Model 1 shows the correlation between the level of democracy and share of CSOs funding that comes from national institutions, while Model 2 introduces addition control variables to examine whether they contribute to the fluctuation in government funding share.

**Table 4. Examination of levels of government funding in different policy sectors (OLS Regression coefficients and standard errors).**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Model 1</th>
<th>Model 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>12.6 (.77)</td>
<td>11.4 (1.7)</td>
</tr>
<tr>
<td>Level of democracy</td>
<td>0.92 (0.92)</td>
<td>1.7 (0.9)</td>
</tr>
<tr>
<td>GDP per capita</td>
<td></td>
<td>3.5 (0.01)</td>
</tr>
<tr>
<td>EU-membership</td>
<td></td>
<td>2 (1.1)</td>
</tr>
<tr>
<td>Size (number of employees)</td>
<td></td>
<td>-0.01 (0.02)</td>
</tr>
<tr>
<td>Level of operation:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>subnational</td>
<td>-1.4 (1.01)</td>
<td></td>
</tr>
<tr>
<td>national</td>
<td></td>
<td>6.5 (0.9)*</td>
</tr>
<tr>
<td>European</td>
<td></td>
<td>-6.3 (0.9)*</td>
</tr>
<tr>
<td>global</td>
<td></td>
<td>0.19 (0.9)</td>
</tr>
<tr>
<td>N / R^2_{adj}</td>
<td>3788 / 0.03</td>
<td>3788 / 0.23</td>
</tr>
</tbody>
</table>

*Note: *p<0.01; b = unstandardized regression coefficient; SE_β = Standard error of the coefficient.
The results show that in line with the theoretical assumptions, the level of democracy does not produce direct influence on government funding share within all aggregated policy sectors. However, according to Model 2, certain control variables statistically significant affect CSOs government funding share. To be precise, the level of organization’s operation impact how much government funding a CSO receive. The results demonstrate that governments are more likely to financially support those organizations that engage into national policy issues rather than all-European or global. Those organizations that operate on the national level tend to be 6.5% more reliant on government funding than others. On the contrary, CSOs than engage into advocacy on the European level, tend to receive 6.3% less government funding on general.

**Analysis 2: for each respective sector**

In the second part of the empirical test I run a regression with the same dependent, independent and control variables for each policy field separately. I do this in order to examine the differential effects of factors that affect government share of CSOs budget within each policy field. It will allow us to examine the sensitivity claim, in other words whether governments are less willing to provide funding to NGOs in sensitive issues areas. The analyses examine whether government funding is lower when issue areas are sensitive, which may be due to poor governments performance in democracy or in a specific policy area.

As in the first part of this empirical test, the dependent variable represents the percentage of government share in the total budget of CSOs. The dichotomous independent variable expresses whether the country where a CSO is registered is a strong democracy or a flawed democracy. The control variables, as in the first test, represent the GDP per capita and the EU-membership of CSOs’ home country, the organization’s size (expressed in the number of employees) and its level of cooperation (whether it acts within its own region or country, in the whole Europe or even globally).

The results for each test are presented above, divided for the simplicity into three groups, where according to the theoretical model, the similar outcome is expected.
Environment and justice

This section demonstrates the results of the examination of the levels of government funding in the environment and justice policy sector.

In the first regression test for the environment sector an additional control variable is accounted for – country’s position on the EPI (Environmental Performance Index). As discussed above, the previous research claims that in the environment sector the sensitivity of the field and, hence, the government willingness to fund CSOs might be affected by the level of democracy in the country, as well as its performance in this area. In addition to the Freedom House index, which is a proxy for the level of democracy, the research controls for country’s advancement in tackling environmental issues, a proxy for which is its rating in Environmental Performance Index. The results for the examination of the variance in government funding share in environment sector are demonstrated in the following Table 5.

<table>
<thead>
<tr>
<th>Variable</th>
<th>b (S.E.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>24.8 (10.8)</td>
</tr>
<tr>
<td>Level of democracy</td>
<td>10.8 (2.3)*</td>
</tr>
<tr>
<td>EPI</td>
<td>9.2 (1.7)**</td>
</tr>
<tr>
<td>GDP per capita</td>
<td>-1.7 (0.01)</td>
</tr>
<tr>
<td>EU-membership</td>
<td>7.2 (2.2)**</td>
</tr>
<tr>
<td>Size (number of employees)</td>
<td>-0.002 (0.04)</td>
</tr>
<tr>
<td>Level of operation:</td>
<td></td>
</tr>
<tr>
<td>subnational</td>
<td>-0.5 (1.7)</td>
</tr>
<tr>
<td>national</td>
<td>7.7 (1.6)**</td>
</tr>
<tr>
<td>European</td>
<td>-7.3 (1.6)**</td>
</tr>
<tr>
<td>global</td>
<td>9.2 (1.7)</td>
</tr>
<tr>
<td>N / R²_adj</td>
<td>1091 / 0.75</td>
</tr>
</tbody>
</table>

Note: *p<0.05, **p<0.01; b = unstandardized regression coefficient; SEβ = Standard error of the coefficient.

The results demonstrate that strong democracies and good environmental performances show a greater willingness to fund CSOs. In strongly democratic countries the average share of
government funding in CSOs budgets is 10.8% higher than in other states. In countries that perform better on environmental indicators, CSOs also tend to be more reliant on government funding: their government share of budget increases by 9.2%, compared to the states that perform worse. In addition to that, EU-countries tend to be more willing to support civil society on the environmental policy issues, as their CSOs receive 7.2% more funds on average, than CSOs, registered in the countries outside the EU.

Finally, there is an evidence that supports the assumption that the level of CSOs operation affects their government share of funding. Environmental CSOs tackling the environment issues nationally have 7.7% larger government funding share, while European CSOs are 7.3% less reliant on the government funding.

The following table represents the results of the examination of levels of government funding in the justice policy sector, including the regression coefficients and standard errors.

Table 6. Examination of levels of government funding in the justice policy sector (OLS Regression coefficients and standard errors).

<table>
<thead>
<tr>
<th>Variable</th>
<th>b (S.E.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>-6.8 (11.7)</td>
</tr>
<tr>
<td>Level of democracy</td>
<td>3.6 (0.1)**</td>
</tr>
<tr>
<td>GDP per capita</td>
<td>-1.7 (0.01)</td>
</tr>
<tr>
<td>EU-membership</td>
<td>-0.4 (2.6)</td>
</tr>
<tr>
<td>Size (number of employees)</td>
<td>0.07 (0.1)</td>
</tr>
<tr>
<td>Level of operation:</td>
<td></td>
</tr>
<tr>
<td>subnational</td>
<td>-0.9 (2.3)</td>
</tr>
<tr>
<td>national</td>
<td>-0.1 (2.1)</td>
</tr>
<tr>
<td>European</td>
<td>-2.2 (2.1)</td>
</tr>
<tr>
<td>global</td>
<td>-0.6 (2)</td>
</tr>
</tbody>
</table>

N / R²adj = 848 / 0.18

Note: *p<0.05, **p<0.01; b = unstandardized regression coefficient; SEβ = Standard error of the coefficient.

Although the model provides a rather moderate explanation to the variance in government share of budget in this sector (R²adj = 0.18), the impact that the level of country’s democracy
produce on its CSOs government budget share is statistically significant. CSOs in strong democracies tend to be 3.6% more reliant on government funding than in other countries. CSOs of different sizes, in EU-states and outside Europe, on different level of operations seem to equally rely on government funding, as these factors do not produce any significant impact on the variance in government budget share.

Security and finance
This section presents the examination of the levels of government funding in the security and finance policy sector. Table 7 presents the outcomes within the security field.

**Table 7. Examination of levels of government funding in the security policy sector (OLS Regression coefficients and standard errors).**

<table>
<thead>
<tr>
<th>Variable</th>
<th>b (S.E.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>18.4 (5.7)</td>
</tr>
<tr>
<td>Level of democracy</td>
<td>3.3 (3.4)</td>
</tr>
<tr>
<td>GDP per capita</td>
<td>-6 (0.01)</td>
</tr>
<tr>
<td>EU-membership</td>
<td>1.3 (3.7)</td>
</tr>
<tr>
<td>Size (number of employees)</td>
<td>0.01 (0.07)</td>
</tr>
<tr>
<td>Level of operation:</td>
<td></td>
</tr>
<tr>
<td>subnational</td>
<td>-1.02 (3.6)</td>
</tr>
<tr>
<td>national</td>
<td>6.6 (3.2)*</td>
</tr>
<tr>
<td>European</td>
<td>-12.1 (3.2)**</td>
</tr>
<tr>
<td>global</td>
<td>0.9 (2.9)</td>
</tr>
<tr>
<td>N / R²_adj</td>
<td>127 / 0.58</td>
</tr>
</tbody>
</table>

*Note: *p<0.05, **p<0.01; b = unstandardized regression coefficient; SE_b = Standard error of the coefficient.

The results demonstrate that in CSOs that work with security issues, the level of operation explains the variation in government budget share. Security CSOs that engage in the policy issues within their own country are significantly more reliant on government funding than those organizations that operate in the whole Europe. Thus, in national security CSOs government share of budget tends to be 6.6% higher than in organizations that work on other levels. In the meanwhile, if a security organization engages in the problems that extend to the whole EU, it becomes 12.1% less reliant on the funding from national institutions on average.
The following table demonstrates the results of the examination of government funding levels in the finance policy sector.

**Table 8. Examination of levels of government funding in the finance policy sector (OLS Regression coefficients and standard errors).**

<table>
<thead>
<tr>
<th>Variable</th>
<th>( b ) (S.E.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>68.9 (13.4)</td>
</tr>
<tr>
<td>Level of democracy</td>
<td>14.3 (3.9)</td>
</tr>
<tr>
<td>GDP per capita</td>
<td>7.2 (0.01)</td>
</tr>
<tr>
<td>EU-membership</td>
<td>12.5 (4.2)**</td>
</tr>
<tr>
<td>Size (number of employees)</td>
<td>-0.02 (0.07)</td>
</tr>
<tr>
<td>Level of operation:</td>
<td></td>
</tr>
<tr>
<td>subnational</td>
<td>-1.8 (3.5)</td>
</tr>
<tr>
<td>national</td>
<td>7.7 (1.6)</td>
</tr>
<tr>
<td>European</td>
<td>-10.7 (3.1)**</td>
</tr>
<tr>
<td>global</td>
<td>1.44 (2.8)</td>
</tr>
</tbody>
</table>

N / \( R^2_{adj} \) | 415 / 0.88

*Note: *\( *p<0.05, **p<0.01; b = unstandardized regression coefficient; SE_b = Standard error of the coefficient.**

Regarding the finance sector, the results demonstrate that there are two factors that can explain the variation of the government funding share: the country’s EU-membership and the organization’s level of operation. Organizations in EU-members states are more likely to be more reliant on national institutions as a source of funding. Government share of their budgets is on average 12.5% higher than of the budgets of CSOs outside the EU. Finally, governments seem to be less likely to fund organizations which interests extend the national borders. Those organizations that engage in financial policy field on the scale of the whole Europe, tend to receive 10.7% less funding from their national institutions.

**Humanitarian aid and youth**

The following section shows the results of the study of government funding levels in the humanitarian aid and youth sectors. Table 9 presents the outcome for the policy field of humanitarian aid.
Table 9. Examination of levels of government funding in the humanitarian aid policy sector (OLS Regression coefficients and standard errors).

<table>
<thead>
<tr>
<th>Variable</th>
<th>b (S.E.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>10.8 (3.4)</td>
</tr>
<tr>
<td>Level of democracy</td>
<td>1.5 (0.1)</td>
</tr>
<tr>
<td>GDP per capita</td>
<td>-4.9 (0.01)</td>
</tr>
<tr>
<td>EU-membership</td>
<td>5.7 (3.8)</td>
</tr>
<tr>
<td>Size (number of employees)</td>
<td>-0.05 (0.04)</td>
</tr>
<tr>
<td>Level of operation:</td>
<td></td>
</tr>
<tr>
<td>subnational</td>
<td>-1.4 (3.1)</td>
</tr>
<tr>
<td>national</td>
<td>2.4 (2.9)</td>
</tr>
<tr>
<td>European</td>
<td>2.5 (2.6)</td>
</tr>
<tr>
<td>global</td>
<td>5.01 (2.5)*</td>
</tr>
</tbody>
</table>

N / R²adj 517 / 0.19

Note: *p<0.05, **p<0.01; b = unstandardized regression coefficient; SEβ = Standard error of the coefficient.

In line with our theoretical expectations, the results reveal that the level of democracy cannot explain the variance in the government funding share as they are statistically insignificant. It implies that humanitarian aid CSOs in strong democracies receive equally large share of their funding from government as humanitarian organizations in other countries. Governments in the EU-member states and outside the EU demonstrate similar willingness to provide funding to CSOs in humanitarian sector.

However, organizations that engage in humanitarian aid on the global level are more reliant on government funding. The government share of funding is 5% higher than in organizations operating on other levels, which means that government show more willingness to fund CSOs that tackle humanitarian issues on the scope of the whole world.

The following table presents the results of the study if levels of government funding in the youth policy sector.
In the youth sector the level of CSOs’ operation is the main factor that affects organizations’ government funding share. CSOs that work with youth within the borders of their own countries tend to have 12.6% more government funding. Meanwhile, youth organizations operating in the whole Europe or globally receive significantly less financial support from their national institutions. Thus, European youth organizations get 10.3% less government funding than others, and CSOs working with children and adolescents on the global level have 3.9% less funding from their national institutions.

### Results

To sum up, in this section we have examined whether country’s performance on democracy and in policy area explain the variance in CSOs government funding share. In line with the theoretical assumptions, the results demonstrate that in the environment and justice sectors the sector sensitivity is largely affected by how strong the democracy is in the country, as well as how well it performs in tackling environmental issues. In addition to the assessment of CSOs utility to governments in these sectors, the conclusion to be drawn is that the likelihood of CSOs reliance on government funding in the environment and justice sector is more
considerable if a CSO’s country is a strong democracy and has significantly advanced in prioritizing environmental problems. Weaker democracies and “poor” environmental performers, on the other hand, tend to be repulsed by the high level of sector sensitivity and show less willingness to fund CSOs in environment and justice sector.

In security and finance sector, the high level of sector sensitivity, in combination with low CSOs utility to governments, lead to more moderate amounts of government funds, regardless of country’s democratic development. In humanitarian aid and youth sector, however, the situation is quite contrary, as the relatively low level of sector sensitivity, in addition to the higher need for civil society’s assistance, contributes to CSOs higher ability to secure government funding, regardless of country’s democracy performance. The data, thus, demonstrate full consistency with the hypothesis and theoretical assumptions.

In addition, the results demonstrate that for the environment, finance, security and youth sector the level of operation affects CSOs government funding share. Government generally show greater willingness to provide funding to nationally-operating CSOs, that place national issues of a policy sector in focus. At the same time, organizations that have extended their engagement to the European level, are significantly less reliant on funding from national institutions and are thus likely to turn to external assistance or self-funding to enable their advocacy and lobbying activity.

**Diagnostics**

A multiple regression was run to determine how much of variation in the government share of the total CSOs funding can be explained by the level of democracy in the country.

The assessment of linearity was irrelevant for this research, as all of the independent variables are binary. There was independence of residuals, as assessed by a Durbin-Watson statistic of 1.962. There was no evidence of multicollinearity, as assessed by tolerance values greater than 0.1 (see Appendix 3 and 4) (Laerd Statistics, 2015).

There were no leverage values greater than 0.2, and values for Cook's distance above 1. There were 121 outliers (out of 3788 cases) with standardized residuals greater than ±3 standard deviations, which represented CSOs, which funding consisted of government funds to 90-
100%. However, as these outliers represent CSOs with outstandingly high percent share of government funding, they are essential to the research and thus, remain accounted for. They are unlikely to produce the distortion in results interpretation, as all types of CSOs, including those that are solely dependent on government finances as well as those that do not receive any funds from state at all, stand in focus of this research.

The distribution of the residuals in Appendix 5 demonstrates that the residuals are normally distributed, with the standard deviation less than 1 (.998), although a certain skewness to the right can be observed. The skewness is caused by the outliers discussed above, that represent large values for the reliance on government funding, and thus drive the mean upward.

**Conclusion**

The aim of this research was to establish whether the level of democracy, alongside with the country’s performance in the sector, affects the sensitivity of the sector and thus affects government funding to civil society. The data demonstrate full consistency with the hypothesis. To summarize the results and make conclusions about how policy sector affects CSOs reliance on government funding, the research combines the empirical evidence with the proposed theoretical model (Table 1 in the “Theory” section).

The results demonstrate that in the sectors where government can expect some degree of confrontation from CSOs but need their expertise (in environment and justice sector), strong democracies show considerably greater willingness to provide funding to CSOs, despite the potential criticism that civil society might direct towards the official policy. Other countries with less democratic development, however, are more likely to maintain their dominance in the sector and abstain from the extensive financial support to the civil society organizations. Moreover, environmental CSOs in countries in which government performs better in tackling environmental issues receive more funding on average from government than organizations in countries with poorer environmental performance.

In the sectors, where government has little incentives to invite CSOs to participate in resolving sensitive issues and government does not deem CSOs as particularly useful (finance and security), both strong and flawed democracies show equally low willingness to provide funding to its civil society. On the other hand, humanitarian aid and youth organizations in
both strong and flawed democracies are significantly more reliant on government funding, as national institutions value their expertise in the field and their assistance in policy implementation.

Finally, the results show that national CSOs in environment, security and youth tend to receive significantly more government funding across the sectors. The conclusion to be derived is that governments see more incentives in funding those organizations that tackle certain policy issues in their own countries. They might deem CSOs’ expertise in these fields valuable as they partially take burden of problems identification and policy implementation from governments themselves. Meanwhile, it can be assumed that they abstain from funding international NGOs, aspiring to resolve issues abroad, and distance themselves from such organizations, as it might be perceived as an encroachment on the recipient country’s authority in these sectors. However, this is an assumption that lies outside the scope of this research, and the interplay between government funding and international NGOs working abroad is left for the future research to address.

Overall, the issue of government funding and the impact that it produces on donors and civil society organizations have been examined in the previous research. The ambiguous discussions attempted to clarify whether government funding undermines or promotes the activity of the civil society organizations, whether supranational actors are more inclined to fund CSOs, whether the size, financial sources and methods that CSOs choose to advocate will affect its relationship with national institutions. This research addressed the gap in the previous discussions, where the impact of policy sectors on the structure of CSOs funding has been overseen.

By doing that, the thesis contributes to a more profound understanding of the interplay between civil society and government within different sectors across various national settings. From the government perspective, it raises the discussion on how democratic development solidifies the cooperation between national institutions and civil society organizations, contributing to a more efficient tackling of policy issues. From the civil society perspective, the thesis creates incentives for a better understanding of how CSOs can secure government funds, or whether they would be more efficient in advocating and lobbying for certain issues, by choosing to rely on other forms of funding instead.
Further discussions could develop the understanding of the relation between the government and civil society, by conducting more quantitative analysis, employing a more extensive and a more representative database that would give public access to the funding volumes and sources of CSOs in all countries in the world. Unfortunately, such database does not exist yet, and with the increasing recognition of the importance of CSOs financial transparency it is left to hope that it will appear in the years to come. In the meanwhile, as 80% of all organizations in the database, applied in this research, are registered in the EU, the results are to be interpreted with caution.

The limitation of the research that derives from its quantitative approach is that it helps to reveal the patterns of the different levels of CSOs reliance on government funding, however, it could not extensively explain the motives that drive governments and civil society to close cooperation, or that create the confrontation between them. A qualitative research, for example conducting the interviews with government officials, that are responsible for the decision-making in allocating funding to CSOs, could shed more light on why certain governments, even in strong democracies, abstain from funding civil society under certain conditions and within specific policy sectors. The future research would also benefit from investigating the motives of CSOs reliance on different sources of funding with focus on different policy sectors, in order to establish whether they seek funding from government but face the confrontation from it, or if they deliberately choose to abstain from government funds. Finally, the international NGOs, that are registered in a country with one national setting but operate within a different national context, deserve more attention in the academia, considering the rising stigmatization that they experience based on their foreign financial sources (the examples of it happening in Venezuela, Russia and Israel are discussed in the “Literature Review”). Given how financial sources of an organization might undermine its reputation and raise questions about its altruistic and independent engagement in the policy issue in certain countries, it is of extreme importance to extend this discussion to contribute to a better understanding of the civil society autonomy.

The model of policy fields assessment, proposed in this research, can further be complemented by the analysis of other policy sectors, not mentioned here. It gives a solid foundation for the academia, policy-makers and CSOs to improve their understanding of how funding affects civil society’s performance. Building on it, CSOs could make assumptions about their ability to secure government funding, while policy-makers could revise their
behaviour pattern in fostering civil society or undermining it. The policy-implications for donor bodies that support civil society around the world, derived from the results of this research, would be to take into thorough consideration the sector that a civil society organization is engaged in and the national context in the country that it operates in. The approach to supporting civil society where their strongly democratic governments perform well, or weaker democracies fail to recognize the issues, should be tailored to national settings.

All in all, these results allow for better understating of how the cooperation between CSOs and their donors could be improved, benefiting to all parties, contributing to a more efficient, competent and potent civil society, solidifying the democratic development in the world.
References


NGO-monitor. (2018). Available at: https://www.ngo-monitor.org/reports/breaking_its_own_rules_amnesty_s_gov_t_funding_and_researcher_bias/


The Guardian (2010). Available at: https://www.theguardian.com/world/2010/dec/22/venezuela-chavez-ngo-foreign-funding


Union of International Associations, the Yearbook of International Organizations. (2018). Available at: https://uia.org/yearbook


Appendices

Appendix 1. The European Transparency Register.

All information expected to be filled out by the NGOs upon their registration in the European Transparency Register.

Profile of registrant
Identification number in the register:
Registration date:
The information on this entity was last modified on:
The date of the last annual update was:
Next update due latest on:

Registrant:
(Organization) name:
Acronym:
Legal status:
Website:

Section of registration
Section: III - Non-governmental organizations
and more precisely:
Non-governmental organizations, platforms and networks and similar

Contact details
Contact details of organization’s head office (including country):
Telephone number:

Person with legal responsibility
First name, Surname:
Position:
Person in charge of EU relations
First name, Surname:
Position:
Goals / remit

Goals / remit of the organization (in a free form):
The organization’s fields of interests are (select):
European
global
national
regional/local

Specific activities covered by the Register
Main EU initiatives, policies and legislative files followed by the organization:
Relevant policy implementation, public relations and communication activities such as projects, events and publications:
Participation in EU structures and platforms
Intergroups (European Parliament):
Industry forums (European Parliament):
Commission Expert Groups And Other Similar Entities (European Commission):
Complementary information:

Number of persons involved in the activities described in the box above
Number of persons involved from the organization expressed in % of working time:
Number of persons involved:
Full time equivalent (FTE):
Complementary information:

Persons accredited for access to European Parliament premises.
First name    Surname    Start Date    End Date

Fields of interest (select):
The organization’s fields of interests are:
all fields of interest
Agriculture and Rural Development
Audiovisual and Media
Budget
Climate Action
Communication
Competition
Consumer Affairs
Culture
Customs
Development
Economic and Financial Affairs
Education
Employment and Social Affairs
Energy
Enlargement
Enterprise
Environment
External Relations
Financial Stability, Financial Services and Capital Markets Union
Fisheries and Aquaculture
Food Safety
Foreign and Security Policy and Defence
General and Institutional Affairs
Home Affairs
Humanitarian Aid
Information Society
Internal Market
Justice and Fundamental Rights
Public Health
Regional Policy
Research and Technology
Sport
Taxation
Trade
Trans-European Networks
Transport
Youth
Membership and affiliation
Total number of members that are natural persons:
Member organizations:
The organization has members/is represented in the following country(countries):
Membership of any associations/(con)federations/networks or other bodies:

Financial data
Financial year:
Estimate of the annual costs related to activities covered by the register:
Total budget:
of which public financing:
Most recent financial information about funding received from the EU institutions:
Procurement:
Grants:
- from national sources:
- from local/regional sources:
from other sources:
- donations:
- contributions from members:
- Statutory membership fees from member organizations:
- revenues financiers:
Other (financial) information provided by the organization:

Code of conduct
By its registration the organization has signed the Transparency Register Code of Conduct.
Appendix 2: Fields of interests self-selected by organizations in the ETR.

Agriculture and Rural Development
Audiovisual and Media
Budget
Climate Action
Communication
Competition
Consumer Affairs
Culture
Customs
Development
Economic and Financial Affairs
Education
Employment and Social Affairs
Energy
Enlargement
Enterprise
Environment
External Relations
Financial Stability, Financial Services and Capital Markets Union
Fisheries and Aquaculture
Food Safety
Foreign and Security Policy and Defence
General and Institutional Affairs
Home Affairs
Humanitarian Aid
Information Society
Internal Market
Justice and Fundamental Rights
Public Health
Regional Policy
Research and Technology
Sport
Taxation
Trade
Trans-European Networks
Transport
Youth
## Appendix 3: Correlations between the independent and control variables.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Gov funding</th>
<th>Sect Environment</th>
<th>Sect Justice</th>
<th>Sect Security</th>
<th>Sect Aid</th>
<th>Sect Youth</th>
<th>Freedom House</th>
<th>GDP</th>
<th>EU</th>
<th>Size</th>
<th>subnation al</th>
<th>natio nal</th>
<th>Euro pean</th>
<th>global</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sig. (1-tailed)</td>
<td>1.0000</td>
<td>-0.027</td>
<td>0.09</td>
<td>0.022</td>
<td>0.110</td>
<td>0.033</td>
<td>-0.014</td>
<td>-0.0144</td>
<td>-0.007</td>
<td>0.002</td>
<td>-0.097</td>
<td>-0.002</td>
<td>0.099</td>
<td>-0.002</td>
</tr>
<tr>
<td>N</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
</tr>
<tr>
<td>Sector Environment</td>
<td>-0.027</td>
<td>1.000</td>
<td>-0.342</td>
<td>-0.223</td>
<td>-0.253</td>
<td>-0.326</td>
<td>0.002</td>
<td>-0.019</td>
<td>-0.026</td>
<td>0.004</td>
<td>0.022</td>
<td>-0.026</td>
<td>-0.060</td>
<td></td>
</tr>
<tr>
<td>Sig. (1-tailed)</td>
<td>0.0500</td>
<td>-0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.005</td>
<td>0.441</td>
<td>1.21</td>
<td>0.054</td>
<td>0.397</td>
<td>0.091</td>
<td>0.055</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
</tr>
<tr>
<td>Sector Justice</td>
<td>0.0090</td>
<td>-0.342</td>
<td>1.000</td>
<td>-0.188</td>
<td>-0.214</td>
<td>-0.276</td>
<td>0.003</td>
<td>0.019</td>
<td>0.000</td>
<td>0.000</td>
<td>0.106</td>
<td>0.258</td>
<td>0.043</td>
<td>0.493</td>
</tr>
<tr>
<td>Sig. (1-tailed)</td>
<td>0.2890</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.431</td>
<td>0.123</td>
<td>0.491</td>
<td>0.232</td>
<td>0.106</td>
<td>0.258</td>
<td>0.043</td>
<td>0.049</td>
<td>0.493</td>
</tr>
<tr>
<td>N</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
</tr>
<tr>
<td>Sector Security</td>
<td>0.0220</td>
<td>-0.223</td>
<td>-0.188</td>
<td>1.000</td>
<td>-0.139</td>
<td>-0.180</td>
<td>0.003</td>
<td>0.021</td>
<td>0.018</td>
<td>0.014</td>
<td>0.019</td>
<td>-0.035</td>
<td>-0.005</td>
<td>0.101</td>
</tr>
<tr>
<td>Sig. (1-tailed)</td>
<td>0.0900</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.418</td>
<td>0.093</td>
<td>0.134</td>
<td>0.119</td>
<td>0.016</td>
<td>0.388</td>
<td>0.000</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
</tr>
<tr>
<td>Sector Aid</td>
<td>0.0110</td>
<td>-0.253</td>
<td>-0.214</td>
<td>-0.139</td>
<td>1.000</td>
<td>-0.204</td>
<td>-0.011</td>
<td>0.012</td>
<td>0.000</td>
<td>-0.002</td>
<td>0.041</td>
<td>-0.024</td>
<td>0.113</td>
<td></td>
</tr>
<tr>
<td>Sig. (1-tailed)</td>
<td>0.2440</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.243</td>
<td>0.238</td>
<td>0.033</td>
<td>0.066</td>
<td>0.452</td>
<td>0.006</td>
<td>0.071</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
</tr>
<tr>
<td>Sector Youth</td>
<td>0.0030</td>
<td>-0.326</td>
<td>-0.276</td>
<td>-0.180</td>
<td>-0.204</td>
<td>1.000</td>
<td>-0.029</td>
<td>-0.046</td>
<td>0.051</td>
<td>0.022</td>
<td>0.031</td>
<td>0.013</td>
<td>0.027</td>
<td>-0.086</td>
</tr>
<tr>
<td>Sig. (1-tailed)</td>
<td>0.4350</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.036</td>
<td>0.002</td>
<td>0.001</td>
<td>0.090</td>
<td>0.030</td>
<td>0.215</td>
<td>0.048</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
</tr>
<tr>
<td>Freedom House</td>
<td>0.0230</td>
<td>0.026</td>
<td>0.003</td>
<td>-0.011</td>
<td>-0.029</td>
<td>1.000</td>
<td>0.349</td>
<td>0.106</td>
<td>0.140</td>
<td>-0.077</td>
<td>0.063</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig. (1-tailed)</td>
<td>0.7770</td>
<td>0.054</td>
<td>0.431</td>
<td>0.418</td>
<td>0.243</td>
<td>0.036</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
</tr>
<tr>
<td>GDP</td>
<td>-0.0140</td>
<td>0.002</td>
<td>0.019</td>
<td>0.021</td>
<td>-0.046</td>
<td>0.349</td>
<td>1.000</td>
<td>0.091</td>
<td>-0.140</td>
<td>-0.149</td>
<td>0.073</td>
<td>0.139</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>Sig. (1-tailed)</td>
<td>0.1910</td>
<td>0.441</td>
<td>0.123</td>
<td>0.093</td>
<td>0.238</td>
<td>0.002</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
<td>3787</td>
</tr>
<tr>
<td>Region</td>
<td>Pearson Correlation</td>
<td>Sig. (1-tailed)</td>
<td>N</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------</td>
<td>---------------------</td>
<td>-----------------</td>
<td>----</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EU</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.014</td>
<td>.203</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-.019</td>
<td>.121</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.000</td>
<td>.491</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-.018</td>
<td>.134</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-.030</td>
<td>.033</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.051</td>
<td>.001</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.106</td>
<td>.000</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-.091</td>
<td>.000</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.00</td>
<td>.440</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-.002</td>
<td>.250</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>.013</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.000</td>
<td>.000</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.014</td>
<td>.193</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-.183</td>
<td>.000</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Size</strong></td>
<td>-.007</td>
<td>.332</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-.026</td>
<td>.054</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-.012</td>
<td>.232</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.014</td>
<td>.191</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.025</td>
<td>.066</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-.101</td>
<td>.090</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-.140</td>
<td>.000</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-.002</td>
<td>.440</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.00</td>
<td>.325</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>.019</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.007</td>
<td>.326</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.034</td>
<td>.383</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subnational</strong></td>
<td>.002</td>
<td>.453</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.004</td>
<td>.397</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-.020</td>
<td>.106</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-.019</td>
<td>.119</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-.002</td>
<td>.452</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.031</td>
<td>.030</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-.140</td>
<td>.000</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-.149</td>
<td>.000</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.011</td>
<td>.250</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.007</td>
<td>.325</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.00</td>
<td>.000</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>.000</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.417</td>
<td>.201</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.201</td>
<td>.055</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>National</strong></td>
<td>.099</td>
<td>.453</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.022</td>
<td>.397</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.011</td>
<td>.106</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-.035</td>
<td>.119</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-.041</td>
<td>.452</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.031</td>
<td>.030</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-.140</td>
<td>.000</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-.160</td>
<td>.000</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.036</td>
<td>.250</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.034</td>
<td>.325</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.417</td>
<td>.000</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.00</td>
<td>.000</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>.000</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.132</td>
<td>.201</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-.083</td>
<td>.055</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>European</strong></td>
<td>-.097</td>
<td>.453</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-.026</td>
<td>.397</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-.028</td>
<td>.106</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-.005</td>
<td>.119</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-.024</td>
<td>.452</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.027</td>
<td>.030</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.077</td>
<td>.000</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.073</td>
<td>.000</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.193</td>
<td>.250</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.007</td>
<td>.325</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.201</td>
<td>.000</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.132</td>
<td>.000</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.00</td>
<td>.000</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>.000</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Global</strong></td>
<td>-.002</td>
<td>.453</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-.060</td>
<td>.397</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.000</td>
<td>.106</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.101</td>
<td>.119</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-.086</td>
<td>.452</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.063</td>
<td>.030</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.139</td>
<td>.000</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-.183</td>
<td>.250</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.005</td>
<td>.325</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.055</td>
<td>.000</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-.083</td>
<td>.000</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-.078</td>
<td>.000</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.00</td>
<td>.000</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>.000</td>
<td>3787</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Appendix 4: Collinearity statistics.

<table>
<thead>
<tr>
<th></th>
<th>Tolerance</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freedom House</td>
<td>.843</td>
<td>1.186</td>
</tr>
<tr>
<td>GDP</td>
<td>.814</td>
<td>1.229</td>
</tr>
<tr>
<td>EU-membership</td>
<td>.908</td>
<td>1.101</td>
</tr>
<tr>
<td>Size</td>
<td>.975</td>
<td>1.026</td>
</tr>
<tr>
<td>subnational</td>
<td>.773</td>
<td>1.293</td>
</tr>
<tr>
<td>national</td>
<td>.805</td>
<td>1.243</td>
</tr>
<tr>
<td>European</td>
<td>.897</td>
<td>1.115</td>
</tr>
<tr>
<td>global</td>
<td>.929</td>
<td>1.077</td>
</tr>
</tbody>
</table>
Appendix 5: Distribution of the residuals.

Histogram
Dependent Variable: Share of government funding in CSOs budget

Mean = 1.87E-10
Std. Dev. = 0.599
N = 3,797