

**MUNICIPALITIES AND NON-GOVERNMENTAL
ORGANIZATIONS IN TWO LITHUANIAN DISTRICTS:
VIEW FROM TWO MODELS**

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Abstract. *There is an analysis of the interaction of municipalities and non-governmental organizations in two Lithuanian districts – Vilnius city and Ukmergė district. This analysis is made on the basis of two social models – New Governance and New Institutional Economics models. The empirical basis for the research was grounded on three interview surveys conducted among the municipal workers and among non-governmental organizations activists. The revealed result of the surveys show the differences between the centre and the periphery in Lithuania – mainly because of different levels of asymmetrical information, transaction costs and social capital. This article consists of three parts – introduction in the first part, which concerns the application of the above mentioned two social models, three surveys results in the second part and the analysis of the relations between informational policy and social capital in two Lithuanian districts in the third part. The article does not only provide the insufficient level of social capital at the interaction of municipalities and non-governmental organizations but it also presents the measures to improve it by promoting the higher level of interaction, enhancing the potential of non-governmental organisations, and reducing the asymmetrical information.*

Key words: *municipalities, non-governmental organisations, social capital, asymmetrical information.*

INTRODUCTION

The article analyses the problem of interaction between Lithuanian municipalities and non-governmental organisations on the basis of two social models. The theoretical basis of the article is formed on the insights of New Governance and New Institutional Economics social models. Aiming to disclose the problems of interaction between Vilnius city and Ukmergė district municipalities the authors of the article have carried out 3 surveys based on the abyssal interview. During the first survey (November, 2006) 7 respon-

dents from Vilnius city and Ukmergė district municipalities (3 politicians and 4 administrative staff members), during the second survey (November, 2006) 4 representatives from NGO sector from each municipality, and during the third survey (September, 2007) 6 NGO leaders in both municipalities were interviewed. The analysis of relations between informational policy and social capital in these two districts is also made in the last part of the article. The article does not only provide the insufficient level of social capital at the interaction of municipalities and non-governmental organizations but it also presents the measures to improve it by promoting higher level of interaction, enhancing the potential of non-governmental organisations, and reducing the asymmetrical information.

What market demands is not covered but is required by many members of the society in principle and can be performed only by two forces: state or non-governmental (or the third) sector. Non-governmental sector is a unique democratic phenomenon. It is the most "capitalistic" of all economic challenges responding to failures of the free market and filling economic niches by volunteer and charity activities. The needs of more socialistic economic community are satisfied by state programmes and services financed from the income received from taxes. Lithuania as well as many other Eastern European countries have appeared in an invidious situation in terms of the provision of public and, partly, private goods. The state and non-governmental sectors are weak in this area, i.e. nothing can fill the niche that forms when the market does not provide its solutions or when the market fails to. Successful interaction between Lithuanian municipalities and non-governmental organizations "pulls" both sectors forward and prevents the formation of even bigger "social niches". What could social science contribute to the interaction improvement? Is it possible to suggest any research or practical activity models to disclose the interaction better and strengthen it?

1. THE IMPORTANCE OF NEW SOCIAL MODELS

The authors of this article believe that two inter-disciplinary social science models can serve the analysis of interaction between municipalities and non-governmental organizations:

- 1) New Governance Model.
- 2) New Institutional Economics Model.

Although the first model has more characteristics of public administration and the second model those of economics, sociological aspects emphasizing the importance of social capital and social trust on inter-institutional or inter-organizational interaction can be their connecting-link. (Putnam 2001)

First, let's analyze New Governance Model and compare it to the traditional weberic models of public administration and New Public Management Model. The concept of "New Governance" in a broader sense is understood as the "arrangement of state affairs by joined efforts of political, economic and administrative community members by enhancing constructive interaction of state institutions, private sector and civil society", V. Domarkas and V. Juknevičienė suggest in the magazine *Public Politics and Administration (Viešoji politika ir administravimas)* (Domarkas, Juknevičienė 2007). An important role in dealing with the state government affairs in civil society is attributed to non-governmental organizations and public participation. This way the New Governance Model paradigm emphasizes that public administration refers not only to client need satisfaction as it was understood under the New Public Management Model but also to the coopera-

tion of all social partners in creating public goods. The New Public Management Model emphasizes transparency and accountability, legal order and honesty.

The differences between the New Governance Model and the traditional public administration are of great importance. The models are different because due to globalization monolithic states are becoming a part of a complex international network and emphasis is placed not on hierarchical but on reticular management style and the priority is given not to the strict form of state regulation but to more gentle management instruments including self-regulation and cooperation with non-state institutions. Therefore, the responsibility of state institutions becomes evident not only to the state institutions of higher hierarchical level but to social partners as well.

Table 1. Major characteristics of modern public administration models

	Traditional Public Administration	New Public Management	New Governance
Relations between citizens and the state	Subordination	Authorization	Empowerment
Accountability of high level officials	Politicians	Customers	Citizens and social partners
Declinatory principles	Following rules and regulations	Productivity and results	Accountability, transparency and participation
Success criteria	Process and outcomes	Outcome	Process
Major attributes	Objectivity	Regularity	Accountability

Source: [Domarkas, Juknevičienė, 2007, p.27]

The followers of the New Governance Model claim that the traditional weberian administration models as well as the New Public Management Model are becoming relic in the modern world in terms of the objective for efficiency and relations with the society. Admittedly, the traditional bureaucratic model was developed out of the concept of the weberian rational administration. It is characterised by clear distribution of roles and functions, trust in procedures, strict financial control, hierarchy and supervision by central organs.

Since 1980 the tendencies of the New Public Management Model became evident in many well-developed countries. They were inspired by private sector and especially were evident in the Anglo-Saxon countries. The New Public Management Model is based on the application of market mechanisms and competition as the means to encourage service rendering, delegating control to local community and decentralising competencies. Administration, therein, is focused on results and goal achievement and not on rules and directives. Citizens are valued as clients that have a choice of schools and qualification programmes. The New Public Management Model emphasizes correct definition of goals, result evaluation, financial management (efficiency), the introduction of service standards, and decisions based on benchmarking (seeking the best practice and following it). The New Public Management Model has contributed to sounder public administration by strengthening the relations between political and administrative spheres and by creating citizen-friendly administration. On the other hand, it is being claimed that under the New Public Management Model the role of the political sphere was diminished and the priority

was given to the managerial sphere. The fact that under the New Public Management Model labour relations have to reflect more the efficiency of an officer's work weakens the focus on value system and ethic norms (Domarkas, Juknevičienė 2007, p.28). A clear provision of the New Public Management is to seek better client service and to increase sentience to their needs. However, the implementation of the provision faces some dilemmas. Public services often include bureaucratic control and professional discretion conflicts and higher efficiency of services is not achieved as compared to the traditional public administration model.

Under the New Governance Model too much notice is given to ethics. More space is left for social context and the aspects of professionalism, political neutrality, justice and avoidance of the clash of public and private interests. Under the New Governance Model it is being assumed that business and public administration spheres are different in principle (Czaputowicz 2007) and, thus, have to be organized and function in a different way. The New Governance Model includes democratic and efficient management system, efficient public institutions, good quality of public services and possibility to adapt to new social needs. Society's trust in government needs the New Governance Model to operate soundly because without it democracy becomes an empty catchword limited by certain procedures and agreements. Prerequisites for sound New Governance Model include transparency, personal honesty, high ethical values, orderliness, accountability and availability. As the New Governance Model operates and seeks to operate as socially responsible economics, the goal is to interfere in social and economic processes in such a way that the implementation of social policy and fair competition is guaranteed.

The New Governance Model means making a network of companies, individuals, trade unions, state institutions, and non-governmental organizations but the state plays the major role. The state has to set the rules for the game and act as a supervisor but on the other hand the role of the state is limited by the same rules that encourage more the characteristics of equitable partnership and not those of dominance.

Table 2. Comparison of management models in public administration

Criterion	Traditional public administration	New Public Management	New Governance
Management method	Hierarchy	Market, equality	Network
Normative basis	Administrational law	Contracts	Agreements
Management style	Bureaucratic administration	Management	Partnership-consultations
Nature of relations	Dominance and subordination	Competition and cooperation	Equality and interdependence
Activity goal	Order consolidation	Provoking changes	Developing social trust
Activity orientation	Procedures	Results	Needs
Organisational status	Monocentric system	Autonomic system	Civil society

Source: [Czaputowicz 2007, p. 31]

In 2006-2007 the authors of this article carried out a research "The Interaction of Lithuanian Municipalities and Non-governmental Organizations: Central and Peripheral Differences in the Processes of Democratic Consolidation". It was hypothesized that improper social administration type (i.e. the traditional "weberian" public administration model together with insufficient level of social capital, weak networks of horizontal cooperation, low social trust) has a negative impact on the interaction between municipalities and non-governmental organizations and, thus, conditions the problems of management and democratic consolidation. Empirical research carried out by the authors has revealed that Ukmergė district municipality followed more the traditional public administration model and Vilnius municipality pursued both the traditional public administration model and the New Public Management Model. The elements of the New Public Management Model became more evident during the last years of Vilnius Mayor A. Zuokas administration. However, it can not be claimed that either Vilnius city municipality or Ukmergė district municipality has implemented the New Public Management Model. It only indicates that the management of Lithuanian municipalities is behind when compared to management of municipalities in the most developed Western countries because the New Public Management Model (and just in Vilnius) is partly introduced and the New Governance Model is missing in both municipalities.

The second model necessary to understand modern interaction between municipalities and NGOs is the New Institutional Economics Model. It emphasizes not only the impact of state institutions on economic processes but the aspects of social capital and social trust as well. The New Institutional Economics Model means the impact of social norms and regulations on economics or, in other words, the environment of all institutional and social economic subjects and processes. Under the New Institutional Economics Model not only the level of social capital is important, upon which efficiency of economic subjects partly depends, but also so called transactional costs. They include all input hidden behind direct "make-sell", "buy-sell", "organize-render service" relations. As Nobel Prize Laureates J. Coase, J. Stiglitz and D. North (Stiglitz 2002, Stiglitz 2006, North 2003)¹ have proved, unnoticed transactional costs can hinder economics, aggravate and impede its development. In this regard under the New Institutional Economics Model the problems of asymmetric economics or asymmetric information take special importance. Asymmetric information means that in the relations of a seller-buyer, service organizer, provider and receiver one part has informational advantage over the other, i.e. knows more and uses this advantage to satisfy its narrow interests. The examples provided above make it evident that in most cases it will be a seller and not a buyer, a service organizer or provider and not a receiver but the opposite is possible, too.

¹ J. Stiglitz ideas on asymmetric economics can be summarized this way: markets operate perfectly only under very simple (primitive) models of classical liberals where perfect competition and perfect information is recognized. Instead of classical models Stiglitz develops the so called informational economics where asymmetries of information play an important role, i.e. the difference between information between employer and employee, seller and buyer, creditor and lender and, in our case, municipality and non-governmental organizations. It would be easier to solve many problems should information holders share it but under bureaucratic hierarchical models one party often suppress the information and the other is afraid to ask for it. By developing social trust and partnership between municipalities and NGOs it could be implemented under the New Institutional Economics Model.

2. THE ANALYSIS OF THE EMPIRICAL RESEARCH RESULTS

Aiming to disclose the problems of interaction between Vilnius city and Ukmergė district municipalities, the authors of the article have carried out 3 surveys based on abysal interview. During the first survey (November, 2006) 7 respondents from Vilnius city and Ukmergė district municipalities (3 politicians and 4 administrative staff members), during the second survey (November, 2006) 4 representatives from NGO sector from each municipality, and during the third survey (September, 2007) 6 NGO leaders in both municipalities were interviewed. Total number of respondents is 34. General survey results according to the question topics are presented below.

2.1. Survey Results by the Municipal Respondents

2.1.1. *Local Democracy as Viewed by Municipal Respondents*

Respondents from Vilnius city municipality (both City Council members and officials) have thought that democracy is missing in practical activities (not only in Vilnius). For example, one respondent has called the phenomenon "the perverted democracy". A part of Vilnius city municipality respondents have noted that formal conditions for democracy exist. Proposals to improve the situation include direct election of the mayor, limiting the rule of the minority, etc.

Respondents from Ukmergė municipality had two different opinions. The majority of respondents have said that situation was positive, "no more democracy is needed". The reasons behind the sufficient level of democracy, in their opinion, have included media, which enhanced democratic development and ensured its transparency, the programme "Leader Plus" which was financed from the EU funds and as a result, 28 rural communities were established. Despite these factors, a part of respondents have acknowledged that communities were not active enough and activity needs to be encouraged. A part of respondents have listed additional factors that contribute to the development of democracy including direct election of mayor and providing municipalities with more functions.

Despite different assessments of local democracy, the majority of respondents have acknowledged that the situation is changing in the positive direction of local democracy.

2.1.2. *Relations with NGOs and their Enhancement*

Respondents from Vilnius city municipality have claimed that it was easy to get NGO lists (contacts) but they were really used only by respondents working in specific areas (protection of children rights, social support, etc.) and those having direct contacts with NGOs. The list of organisations was viewed as a means that help to give (allocate) support. In the opinion of one respondent the list was needed as an additional means for monitoring and control.

Respondents from Ukmergė city municipality said that they had known about the NGOs operating in their municipality, many of them had had their lists and used them quite frequently, especially organisations working with specific groups (the disabled, children). The lists have served as a means for NGOs to receive support from the municipality.

Thus, respondents from both: Vilnius and Ukmergė municipalities operating in specific areas (social, for example) face NGOs more. It was interesting to observe that unlike respondents from Vilnius municipality respondents from Ukmergė have maintained close

relations with NGOs and active local community groups. A part of them called themselves active. To be more specific a part of Ukmergė respondents listed such NGOs as "Trade Union", "Choir", and "Young Social democrats".

2.1.3. Processes and Areas Municipalities Can Get Contacts with the Non-governmental Sector, Cooperate and Encourage Community's Activities

Respondents from both Vilnius and Ukmergė municipalities have listed many forms of communication between municipalities and NGOs ("open door" hours, meetings, e-government, conferences, involvement into municipal budget planning, personal conversations, etc.) but have acknowledged that NGOs have a weak influence in making important decisions, such as budget allocation. Thus, although officially non-governmental organisations are provided with many conditions to influence processes not all of them are effective in reality. Respondents from Ukmergė municipality have noted that NGOs are weak in their district but thanks to the EU support 28 active rural communities were established.

Respondents from Vilnius NGOs have emphasized the implementation of "one window", "e-government" while respondents from Vilnius municipality have highlighted regular meetings with the community as important factors of encouraging local democracy.

2.1.4. The Role of Municipalities in Regard to NGOs

Only respondents working directly with NGOs that operate in social sphere have referred to the real relations and real role of the municipality (contracts of cooperation were signed, NGOs were contacted regarding certain issues). Other respondents noted the desirable relations. It was suggested that NGOs should work with the community to make it more active and the municipality should provide non-governmental organisations with the material resources (project financing, etc.), establish joint public bodies. It was also noted that the municipality should encourage NGO activity for the sake of transparency, to discuss more with non-profit organisations. One respondent has noted that only those NGOs that support the ideology of the City Council leaders receive material support.

A part of Vilnius municipality respondents have said that municipality should take steps aiming to cooperate with NGOs but only state officials working in social sphere and directly facing NGOs providing social services were able to detail the initiatives.

Respondents from Ukmergė municipality emphasized the role of the municipality as a care-giver (which supports projects and proves consultations). An opinion that NGOs have to make the first step in establishing contacts and expressing its needs was presented. Only one respondent suggested that the relations should be partnership-based.

2.1.5. Tendencies in Municipal and NGO Cooperation

Respondents from both municipalities have noted that during the recent years financing of NGO sector has increased and it was based on long-term projects, municipalities started to buy NGOs services, the quality of NGO work has increased and financing has contributed a lot to the development of the non-governmental sector.

A part of respondents having direct relations with NGOs have stated that the attitude of state officials towards NGOs is changing in a positive direction. An opinion that NGOs duplicate the activities of the municipality, demand payment and try "to dictate municipi-

pality" was also expressed. Thanks to financing from the EU 28 active local rural communities were established.

When analysing the differences between the elected politicians and those working in the municipal administration, some respondents expressed an opinion that politicians were more active before election and used the problems identified by NGOs in their electoral programmes. The majority of respondents noted that politicians have greater influence in making the situation more benevolent to NGOs and municipal officials only put the policy formulated by politicians into practice.

2.1.6. NGO's Impact on the Relations between the State and the Non-Governmental Sectors

Municipal representatives listed some NGO activities that would be useful in cooperating with municipalities:

- Identifying priorities (marking themes and problems that are important to target audiences);
- Participation in strategic planning by formulating goals and tasks;
- Decision-making on budget allocation issues;
- Result evaluation.

It is noteworthy to mention that not all respondents had equally evaluated the importance of the NGO's activities. An opinion that NGOs have only to share their ideas and let competitive persons, that is municipal officials implement them was expressed.

When evaluating civil activity municipal respondents noted that the level of activity is not very high, that the same people changing every two or three years take part in cooperative activities. New active citizens engage only after the emergence of new problems or before the election.

2.1.7. Influence of NGOs on Local Democracy and Social Areas

Municipal respondents have noted that cooperation with NGOs was very useful. Respondents from Vilnius have emphasized positive NGOs' changes in the areas of the disabled people and children (the area of the elderly was not evaluated) while respondents from Ukmergė municipality have noted that the situation is quite problematic, there were few active youth organisation but the activities of NGOs' working with the disabled persons or the elderly are developing in Ukmergė.

2.1.8. The Relations between Politicians (the Elected Municipal Respondents) and NGOs

When talking about the responsibilities of politicians a big part of municipal respondents have said that politicians should communicate more and initiate meetings with the society and NGOs.

A part of the respondents have emphasized that politicians have to form an approach that NGOs are equal, non-profit partners and, thus, represent the public interest that can provide municipalities with useful information. It was also noted that if NGOs were strengthened, a higher level of democracy would be achieved.

It is interesting that the respondents from Ukmergė municipality have emphasized the need for politicians to meet with the society and non-profit organisations while the respondents from Vilnius municipality have expressed a need for partnership and political initiatives when making contacts with NGOs.

2.1.9. NGO Relations with Political Parties

The majority of respondents from Vilnius non-governmental organisations have pointed out that the relations between political parties and NGOs are slight or they do not exist at all. A part of the respondents have expressed an opinion that political parties sometimes draft NGOs in their electoral campaigns as for example, refer to the problems and solutions as provided by NGOs.

The respondents from Ukmergė non-governmental organisations have noted that politicians sometimes use NGOs for their own purposes as, for instance, before election they establish new NGOs for their own benefit.

2.1.10. The Results of Municipal and NGO Cooperation

Talking about concrete results Vilnius respondents have listed the following results: a cafe employing past drug addicts was opened; public opinion regarding vulnerable groups was being formed; a joint venture was established; a new festival for "Children Day Centres" was organised; the community made successful efforts to use a part of the beach by the lake; public transportation suitable for the disabled (blind) people was launched, etc.

The respondents from Ukmergė municipality have mentioned the following results: an event for artists was organised, rural development strategy was created the result of which a rural community was established, the disabled persons were employed and social assistance centres were established.

2.1.11. Identified Problems and Ways to Enhance Local Democracy

The respondents from Vilnius municipality have listed the following factors that could improve the situation of local democracy:

- To provide municipalities with as much freedom as they have in other countries of the European Union;
- To increase citizen activity in neighbourhood government, to enhance the relations between local government and its inhabitants;
- To influence communal activity by involving their representatives into municipalities;
- To change electoral system into majoritarian, to decrease the number of municipal officials and increase their communities;
- To explain municipal role and functions to inhabitants;
- To create barriers for narrow interest groups to make profit at the cost of the other people (majority).

The respondents from Ukmergė municipality listed the following factors that could improve the situation of local democracy:

- The importance of direct elections of a mayor, the lack of political culture, weak argumentation of decisions;
- The importance of making society's public spirit more active and empower people to express their opinion;
- To improve legal regulation of local governance and prevent populism;
- "We need more new politicians";
- To provide municipalities with more functions, not all communicational ways with the community are applied.

2.2. The Results of the First Survey of NGO Respondents

2.2.1. NGO Cooperation with Municipality

Talking about cooperation with the municipality respondents from Vilnius non-governmental sector have emphasized projects (won in the contest which is announced by the municipality annually). One respondent has mentioned that their NGO received premises from the municipality. Other respondents said that it is important to get engaged in lobbying, to organise "thanksgiving" events because such measures foster cooperation and contacts making, change prejudice into a positive direction. The aspects of unwillingness to cooperate from the municipality's side were brought forward: negative attitude towards NGOs, avoidance of responsibility and joint projects.

The respondents from Ukmergė non-governmental sector have noted such facts of cooperation with the municipality as providing premises, transport, consultations on different issues. Other respondents have mentioned that the municipality has organised meetings with NGOs, sent children to day-care centre. One respondent has called the municipality as a partner but did not detail in which aspect.

It is noteworthy to mention that respondents from Vilnius non-governmental organisations have emphasized the aspects that are characteristic to the concept of partnership, discussed the possibility to make mutual influence while respondents from Ukmergė NGOs have highlighted the role of the municipality as a caregiver.

2.2.2. The Areas of Cooperation between NGOs and Municipality

The respondents from non-governmental organisations have listed some areas NGO activities could be beneficial: rendering social services, fostering civil society, cooperation in decision making on issues important to local democracy, when implementing e-government, municipal budget formation. The respondents have also pointed out conferences, lectures, and discussions.

The respondents have evaluated cooperation with the municipality in a different way. All respondents from Vilnius NGOs have noticed the approach of an unequal partner ("Municipality views us as pigmies and does not understand what NGO means"). Despite the cases of cooperation municipality views NGOs as competitors, establish new services and duplicate activities carried out by NGOs.

The majority of the NGO respondents from Ukmergė have evaluated cooperation with the municipality positively. Noteworthy to mention that an organisation providing relatively new services (children day-care centre) and having no relations with political parties, has expressed a greater need for attention and more stable financing. Despite numerous areas of possible cooperation between municipalities and NGO, they are not sufficient seeking equal and partnership-based cooperation in Vilnius municipality. The style of cooperation as described by the respondents from Ukmergė municipality raises some doubts regarding equal relations because the majority of respondents from the municipality and NGO sector consider the municipality more as patron than as an equal partner.

2.2.3. The Impact of NGOs on the Relations Between the State and Non-governmental Sectors

The respondents from the NGO sector have listed several activities that would be beneficial to the society when cooperating with the municipality:

- Identifying priorities (marking themes and problems that are important to target audiences);
- Participation in strategic planning by formulating goals and tasks;
- Decision-making on budget allocation issues;
- Result evaluation.

Noteworthy to mention that the listed areas correspond when compared them between the towns and the responses received from the municipal respondents.

2.2.4. NGO Relations with Municipal Representatives

The respondents from both, Vilnius and Ukmergė, non-governmental organisations maintain relations with the municipal officials working in the same social areas as NGO. Non-governmental organisations operating in Ukmergė and having relations with political parties also communicate with the municipal leaders.

2.2.5. The Relations between Municipal Politicians and NGOs

The respondents from both municipalities have stated that politicians are more active during election and emphasized personal priorities of politicians. Majority the respondents from Vilnius have regretted that they seldom receive support from the municipality while respondents from Ukmergė have noted tangible material support.

In the opinion of the respondents from Vilnius municipality politicians should be more active and seek closer cooperation and partnership. An idea that politicians should treat NGOs as equal partners that render social services and take them into consideration when establishing strategies for social services renderance was expressed. It is important to deepen society's understanding about NGOs. The respondents from Vilnius non-governmental sector have noted that they had not had any contacts with politicians, though they had sought for them.

It is worthy mentioning that the NGOs from Ukmergė that maintain close relations with political parties positively evaluated the present situation while the NGOs that do not have any relations have expressed the need for partnership.

2.2.6. Differentiating the Regard Given by Municipal Representatives to Non-profit Organisations

Two areas – rural communities and the disabled people - receive the most support in Ukmergė. Meanwhile respondents from Vilnius have stated that the municipality gives priority to the NGOs established by the municipality, that is international NGOs. Religious communities are being discriminated and the lists of favourite NGOs, which are invited to certain meetings, exist in Vilnius municipality.

3. THE ANALYSIS OF THE RESULT OF THE SECOND SURVEY OF NON-GOVERNMENTAL ORGANISATIONS

Asymmetrical information is one of the biggest obstacles in inter-institutional cooperation including relations between municipalities and NGOs in the modern world. The fact that many non-governmental organizations simply "do not have access" to more favourable terms of public purchase or more useful international cooperation hinders their development. Often NGOs lack information about necessary funding, legislative changes, the attitude of municipal officers, etc. In September 2007 the authors of this article carried out the third empirical research and surveyed 6 leaders from Vilnius city and 6 leaders of Ukmergė district non-governmental organizations. The survey results indicated that Ukmergė district non-governmental organizations (except one out of six) were directly dependent on the information as provided by the municipality and did not know or use much alternative information. Several NGOs from Vilnius, in their turn, although had broader access to information sources were often discriminated by the municipality as the information was either late or did not reach them at all as compared with other, "more privileged" non-governmental organizations that were given informational priority. NGOs in Ukmergė district, as compared to NGOs in Vilnius city, were discriminated because of the lack of information on international contacts. This way the asymmetry of central and peripheral information became evident. Higher informational asymmetry in Vilnius and Ukmergė district made us claim that there is no equivalent partnership between municipalities and NGOs and there is a lack of social capital and social trust in Lithuania. The situation encourages favouritism and asymmetric information causes the increase in transactional costs. The relations between Vilnius municipality and NGOs as well as between Ukmergė municipality and NGOs are developed on the basis of municipal dominance and sometimes even on the basis of contra-opposition and there is a lack of equal partnership based relations.

To diminish transactional costs and asymmetric information the levels of relations including municipal and NGO relations have a great importance. On the first level, i.e. the attempts of individual NGOs to receive support or help (funds, premises, equipment) from local government is possible to provide the level of individual search for cooperation. Transactional costs and asymmetric information is the greatest on this level. Another level includes public legalization of municipal and non-governmental organizations relations where transactional costs and informational asymmetry is smaller. They are even smaller on the third level when non-governmental representation forms (coalitions) are developed and on the fourth, the highest level, when the principles of cooperation between non-governmental organizations and municipalities are developed. It should be noted that whereas all four and especially the first three levels of cooperation were used in Vilnius municipality, cooperation in Ukmergė district was based on individual agreements between municipality and individual organizations, the partnership of which was consolidated by individual contracts. It means that cooperation in Ukmergė district would reach the second level. There were exceptions as well. The association of Ukmergė area communities and the coalition uniting 7 NGOs working with children operated in the district, i.e. the third level of cooperation was reached. The council of youth affairs, the council of community health, educational and other councils in the activities of which NGO representatives took part, operated as well in the municipal area. NGO related issues were coordinated by the

deputy director of municipal administration. Municipality itself evaluated the cooperation with NGOs rather positively. Ukmergė district NGO representatives that took part in the survey also commended cooperation with the municipality though it was evident that they were afraid to lose municipal support because they avoided inconvenient questions, prevaricated clear answers and cajoled municipal administration. Although cooperation forms in Vilnius municipality were more diverse than in Ukmergė district municipality, Vilnius municipality and NGOs evaluated this cooperation more critically.

The reasons hindering cooperation between municipalities and NGOs were identified. The most obvious ones include: a) the lack of funding which cumbers organizations to function independently throughout a year; b) municipal representatives' lack of knowledge about the third sector place in the society (as it was noted by respondents that took part in the survey "inability of officials to envisage the benefit of NGO activities").

It should be noted that a part of the respondents (both in Vilnius and in Ukmergė district) think negatively about possibilities to receive funding, project funding, etc. and claim that the processes are not transparent and objective, based on "political sympathies" and "economic calculation".

In terms of non-governmental and municipal forms of cooperation a big contrast between organizations was identified. Non-profit organizations operating in Ukmergė district that have strong informal relations with the municipality and have positively evaluated municipal activities have listed much more cooperation forms as compared to the general average. Whereas NGOs operating independently and seeking transparency of municipal decisions claim that officials avoid cooperation, declare it only and real cooperation is absent.

Thus, in the regions where partnership traditions between non-governmental organizations and municipal officials are weak catch-22 situation is formed. Municipalities tend to support the "politically presentable" organizations and become one of the major funding sources for them. This way dependency from municipality and benevolent approach to municipal activities is strengthened. Communities that develop independently of municipality, criticize municipal activities and seek transparency, are ignored and not given equal conditions for activities. The manifestations of civil society are suppressed, too.

It should be noted that not partnership-based, adversarial approach of officials towards NGO is milder in municipalities that together with non-profit organizations implement joined EU financed projects. Municipalities and NGOs take part in the programmes financed by the EU funds (for example, EQUAL projects) as equal partners and municipalities are interested to cooperate with NGOs and mind their image.

The survey respondents have claimed that the major reason for avoidance to join NGO is lack of human activity caused by different factors, including the following:

- The society is dominated by unfavourable approach to volunteer and NGO activities (this type of work is not appreciated);
- Only a small part of Lithuanian citizens can allocate time and engage in volunteer activities;
- The society is dominated by frustration in politicians that ignore the attempts of the society to have a profile to their problems;
- NGO employees lack knowledge and skills.

The problems of the interaction between municipalities and non-governmental organizations were revealed by NGO activity nature as presented by the following social scenarios (schemes):

1 scenario – NGO requests help on the basis of personal contacts.

If a non-governmental organization carries out charity activities (not the functions of political control), has good first level contacts (an old acquaintance, familiar person whose request is inconvenient to reject) and help solicited is not too expensive, the request brings results – financial support or in-kind support (for instance, transport) is given.

2 scenario – NGO charity activities.

If a non-governmental organization carries out charity activities (not the functions of political control) and the first level contacts are not good, municipal bureaucrats ignore or avoid contacts ("elude to waste time on meeting NGO representatives").

3 scenario – NGO tries to carry out civil control.

If a non-governmental organization tries to carry out civil control or tries to do something that does not serve municipal bureaucrats, the reaction is hostile and aimed to block NGO activities – not to give support or just to defeat the organization. It is related to the fact that bureaucrats often view non-governmental organizations as interceptors of state functions.

The results of the empirical research carried out by the authors of the article indicate that relations between citizens and authorities are dominated by the traditional public administration approach and submission. Interaction between municipalities and NGOs is characterised by non-democratic, asymmetrical power relations; therefore, there is a lack of social capital and social trust. Non-governmental organizations are influential when carry out charity or similar functions and loose their influence when try to pursue the functions of political control, for instance. The research results make it clear that NGO representatives are afraid to evaluate municipalities negatively except for the respondents that have nothing to loose or are angry at municipal officials.

The results of the empirical research carried out by the authors point out that municipal administration and politicians have to change their approach to NGOs and to treat them as associates and partners and not as competitors or marplots of their work.

The research results have revealed that in order to strengthen cooperation between NGO and municipalities it is expedient to:

- Promote NGO potential in the areas of material (by providing more stable financing, premises, etc.) and human resources (by increasing NGO employee competence, etc);
- Cultivate civil society (by developing socially oriented values, promoting sociality, etc.);
- Educate state officials about different aspects of the third sector;
- Promote project developing on the national or international levels in which municipalities and NGOs take part as equal partners.

However, as the results of the research "Undiscovered Power" carried out by the Civil Society Institute suggest political distrust (even "political depression") is widely spread in the Lithuanian society. People do not trust activity perspectives of the democratic institutions they themselves have elected, state institutions, and non-governmental organizations. Thus, people choose not partnership but "recession", bear dominant bureaucratic administration and do not support the activities of non-governmental organizations. Thus, the implementation of new management models and improvement of the municipal and

non-governmental interaction under present Lithuanian situation remains a problem that requires long-term attempts. Present cultural-political-economic discourse is not highly favourable for NGO activities. To increase the level of social capital and to promote civic activity in Lithuania it is necessary to apply the means of "more active social policy".

3. RELATIONS BETWEEN INFORMATIONAL POLICY AND SOCIAL CAPITAL. THE RELATIONSHIP BETWEEN INFORMATIONAL POLICY AND THE CHANGES IN SOCIAL CAPITAL: CENTRAL AND PERIPHERAL DIFFERENCES

Now in many different countries processes related to the transfer of central government function to regional and local level, that is government decentralisation, are being observed and encouraged. Consolidation of democracy still remains a major problem in post-communist countries. One of the research goals was to analyse the possibilities of developing social capital and other local social resources in local municipalities by improving the cooperation between non-governmental organisations and public administrative institutions. It would help to solve the issues of government decentralisation and democracy consolidation in Lithuania. The research was aimed at characterising the effectiveness of external social networks of local communities in Vilnius and Ukmergė municipalities through the analysis of certain parameters of social capital. We believe the research that reveals new possibilities of cooperation between local communities and municipalities could help to develop social services they render and serve as a basis for constant training, grounded on the real needs of local communities. It could also help to establish and consolidate the models of new public management based not on hierarchical, order-giving relationships and governance habits, but on more democratic, horizontal relations and cooperation based new governance model. That would involve more the inhabitants of local communities and the social groups they have established into the country's social-political life, and, thus, contribute to solving the problems of democracy consolidation in Lithuania. L. Donskis was right to observe: "It could be stated without exaggeration that fifty years of soviet regime cost Lithuania not only the loss of individualistic ethics and individual itself but also the loss of communities and the distorted social relations. In other words, the society's real disintegration, that had really disintegrated the power of associating and at the same time totally atomised and segmented the society took place (society's segmentation in modern world, indeed, almost equals to annihilation of the society that activates itself and creates a common vocabulary and norm system. Therefore, social sciences able to reflect and restore social economy and other socialites will face a titanic work – not only to investigate the reconstruction of social relations and slow regeneration of communities but to participate in the process as well" (Donskis 2004).

3.1. Concept and Functions of Social Capital

The development of social institutions – traditional or modern, on the local, regional and national level - is impossible without effective functioning of social capital, R. Putman and other researchers of social capital suggest. Developmental needs require strengthening social institutions as well as creating and multiplying social capital, the networks of horizontal and effective cooperation that condition the success of development. We will brief about social capital and its functions in the processes of democracy consolidation.

The following forms of capital are distinguished:

- Physical capital
- Human capital
- Financial capital
- Social capital.

Social capital refers to the norms of social behaviour and social networks that provide conditions for productive cooperation (action) in solving the dilemmas of collective action (Putnam 2001). It includes social institutions, relations and customs that define quality and quantity of social interaction. The increasing volume of the research data indicates that social capital plays a significant role in creating sustainable prospering economy and consolidating democracy (Szirmai 2005, Howard 2003, Newton 1997, Putnam 1995, Putnam 2001, Putnam 2002, Žiliukaitė, Ramonaitė, Nevinskaitė, Beresnevičiūtė, Vinogradnaitė 2006). It is an important component of social projects. Social capital, when properly used, may soundly improve the effectiveness of projects that are being implemented and achieve sustainable development, which is important to Lithuania under present developmental stage. The most important factor is that social capital creates abilities of local communities to work together in solving the most important local problems and, thus, encourages greater citizen involvement to local activities as well as democratic life of the country prompting cohesion, transparency and accountability which is now, as researchers of Lithuanian democracy and politicalology indicate, a big problem in Lithuania. If social capital is missing, the situation will be the opposite – the effectiveness of project (financed from local and the European Union funds) decreases and may be even unsuccessful.

Kuzmickaitė K., based on the social capital research methodology applied by the World Bank (we will discuss them later) distinguishes two major forms of social capital (Figure No 1): structural and cognitive social capital. Structural social capital covers more objective and externally researched social structures, as for example, network relations, associations and institutions as well as rules and procedures in local communities. The second form, cognitive social capital includes subjective and not as intangible characteristics of sociality (social life), that is commonly accepted attitudes and behavioural norms, values, mutual understanding and trust.

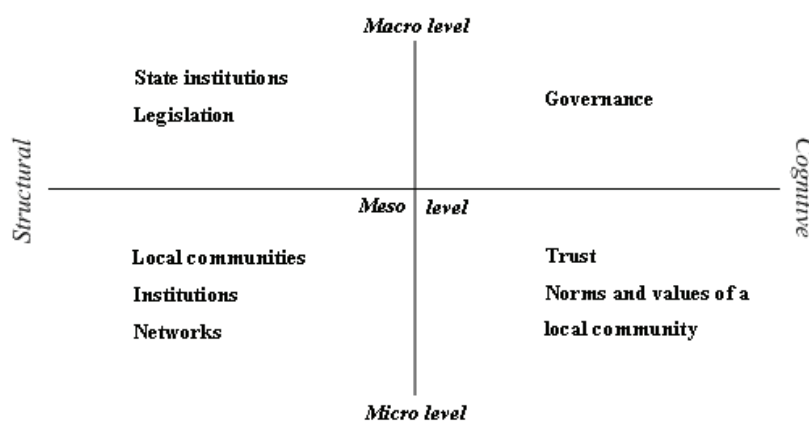


Fig. 1. Social capital forms (Kuzmickaitė 2004)

K. Kuzmickaitė discerns micro, meso and macro levels of the society. Social capital at the lowest, closest to individual micro level is researched as horizontal networks and associated norms and values, overlapping with the networks, as created by individuals and households (R. Putnam researched such groups as clubs and choirs). Meso level covers horizontal and vertical group levels and relations, i.e. relations between individuals and the society – local associations and groups. Finally, the macro level that exists at the greatest distance from an individual and territorial community but makes the greatest influence from institutions and political environment serves as a background for all economic and social activities and the quality of management organisation (Kuzmickaitė 2004).

Different authors differently divide social capital into components. This research focused on the **World Bank Social Capital Implementation Framework (SCIF)**, which used the division of social capital into five key dimensions:

- (Social) **groups and networks** refer to a totality of individuals that use mutual collection of relations to solve the dilemmas of collective actions seeking personal and social welfare.
- (Social) **trust and solidarity** describe the elements of social behaviour that encourage and accelerate social cohesion and joint collective actions. Misuse of trust, on the contrary, disrupts the effectiveness of joint actions.
- It seems to be the major category of social capital. Trust is created through mutual interactions of community members as a result of which formal and informal networks are established.
- **Collective action and cooperation** refer to the capacities of citizens in overcoming challenges communities face.
- **Social cohesion and inclusion** qualify the risk of social conflicts and by encouraging the participation of marginal group members ensures more equal opportunities to use the results of a community's work.
- **Information and communication** refers to the cognitive social capital component, which by improving access to information, prompts positive social capital and decreases the influence of negative social capital. The latter one was given the most attention in this research (Overview : Social Capital)

Scientists distinguish the following sources of social capital:

- **Families** – it is believed that a family is a primary and major block generating social capital in a bigger community. Its impact was not researched in this work.
- **Communities** – they are the most important in developing capacities to work together for common benefit. They are extremely important to poorer and marginalised inhabitant groups, for which social capital can be an important substitute for human and physical capital. It was one of the major objects of this research that analysed the activities of non-governmental organisations in relation to local municipalities.
- **Companies** – their activities also require social trust and sensation of common goals. Social capital is useful for companies in decreasing the costs of social transactions but sometimes their activities disrupt (create negative effects) in formation of social capital in the state. The impact of companies was not researched in this work except the cases when respondents were asked about receiving financial support for non-governmental organisations.

- **Civil society** - social capital is essential for the successful operation of non-governmental organisations as it provides the voice to those that would not be heard the other way.
- **Public sector** refers to the state and its institutions, the activities of which are the major to successful functioning and welfare of any society. It was one of the main research objects in this work where public sector was represented by Ukmergė and Vilnius municipalities.
- Such sources of social capital as ethnicity and cultural gender were not analysed in this research (Sources of Social Capital).

Measuring social capital. It is a difficult problem of social and political sciences that is discussed in numerous literatures. It was analysed in two aspects in this research: a) *survey*: by providing the activists of non-governmental organisations with half structured research test-interview aiming to identify different aspects of their cooperation with the municipalities. b) the investigation of *informing-coordinating policy from the side of municipalities*: the effectiveness of local institutions informational and communicational aspects of municipalities were analysed. The researchers analysed: a) whether it is easy for non-governmental organisations to find crucial information about projects and funds allocated for projects on municipal websites. b) the ways municipalities encourage cooperation with non-governmental organisations.

When constructing a half-structured research questioner-interview the experience of similar questioner for measuring social capital was used.

Questionnaires by the World Bank **Social Capital Thematic Group** researchers **Social Capital Assessment Tool (SOCAT)** and **Social Capital Integrated Questionnaire (SOCAP IQ)** were used (How to measure social capital?, The Local Level Institutions Study: Program Description and Prototype Questionnaires, Other survey and measurement tools, Social Capital Assessment Tool (SOCAT): Community Questionnaire, Social Capital Assessment Tool (SOCAT), Social Capital Integrated Questionnaire (SOCAP IQ)

The major questions in all parts included:

- What impact does that this entire have on the interaction between municipalities and non-governmental organisations?
- What are the differences between the centre and the peripheries?
- How does it affect the processes of democracy consolidation?

In the context of R.D. Putnam works, nowadays very few doubt in social capital, associations, individual trust in others, socium and institutions, the fundamental role in forming the public space of modern civil society. The consolidated civil society itself is impossible without the power and will to seek for social relations and a community. It is an efficient means to revive alienated or malformed communities. In this way cooperation of a more democratic state-market-community with a new allocation of old roles is possible.

3.2. Analysis of Information–communication between Vilnius and Ukmergė Municipalities and Non-governmental Organisations. Factors: Coordination and Asymmetrical Information

As it was mentioned, the effectiveness of local institutions-municipalities in this research was analysed in its informational and communicational aspects. The researchers

have analysed: a) Is it easy for non-governmental organisations to find crucial information about projects and funds allocated for certain projects on municipal websites? b) How do municipalities encourage mutual cooperation between non-governmental organisations, i.e. how does the public sector – the state and its institutions - help non-governmental organisations to create networks of informal cooperation forming social trust between municipalities and non-governmental organisations.

Informational asymmetry between a municipality and non-governmental organisations exists as municipal officials possess crucial information about the planned projects, funds allocated for them, legislative changes, new EU projects, etc. Municipal officials apply three strategies: a) **Strategy of indifference** (in extreme cases – open hostility) means a case when a municipality essentially does not do anything (in extreme cases drive NGO representatives out as "tiresome flies that disturb their work", take away "an expensive work time" or "pry to the issues when nobody asks them to", does not disseminate information on municipal websites due to laziness of thinking that the search for information is a business of a non-governmental organisation in itself. The book "For Democracy to Work" R.Putnam shows the differences of informational policy that were observed in Italy between its civil regions (North Italian region traditionally is considered of high social capital level) and non-civil regions (South Italian region traditionally is considered of low social capital) and to get the required information in the "South" required much more efforts, sometimes unsuccessful, than in the "North". b) **Strategy of domination over information by hierarchical administration** refers to cases when project winners receive funds and at the end of a year they are required to fill in bureaucratic reports about their usage. It is all contacts and informational interaction. Horizontal social networks are weak, there are no collective actions to solve the emerging dilemmas and horizontal cooperation takes place only due to good personal relations. Social concentration and involvement remains formal. The relations between citizens and the state are based on obedience. There is no accountability of higher-grade municipal officials to non-governmental organisations. This strategy would correspond to the *Traditional Model of Public Administration*.

It could be considered that all this is related to the general problem of social activity in Lithuania. Why are people slow to join non-governmental organisations in Lithuania? There are many reasons and the last but not the least is the following: people know that it will be difficult, extremely difficult to receive necessary information, they will constantly and importunately need to enquire municipal officials for information, people do not have self-confidence and trust that it is possible to change the present situation in the area of information.

c) **Municipality coordinates and encourages the communicational process of horizontal information.** Non-governmental organisations are provided with concrete actual and easily accessible information on a municipal website (which is the easiest form for the interested parties to access information), horizontal relations between non-governmental organisations are encouraged, the processes of experience exchange are organised, etc. This strategy would correspond to the *Model of New Public Management*.

The research was carried out this way: after entering Vilnius and Ukmergė municipal websites www.vilnius.lt and <http://www.ukmerge.lt> the search was carried out by searching such key words as " non-governmental" and "non-governmental organisations" aiming to find out what practically useful information is possible to find there. The total record number did not differ much – 74 records were found on the website of Vilnius municipal-

ity and 67 records on the website of Ukmergė municipality. Clear qualitative differences were observed in the informational policy in Vilnius and Ukmergė municipality that will be now discussed.

It was observed that VILNIUS municipality provides the following information on its website **www.vilnius.lt**: *Vilnius municipality informs non-governmental organisations about the possibilities to receive financial support outside the municipality.*

The descriptions of international foundations and their contact information in Lithuania and abroad are indicated in a table format (for example, **International foundations and programmes** <http://www.vilnius.lt/newvilniusweb/index.php/101/?itemID=83884>); **EU financial support for the creation of civil society in new Member-States** <http://www.vilnius.lt/newvilniusweb/index.php/101/?itemID=67005>, the website of a call for proposals and short description is provided on http://europa.eu.int/comm/justice_home/funding/support_ngo/funding_support_en.htm; **We would like to inform you about possibilities to receive support from the European Union financial instruments according to the TACIS cross-boarder cooperation in the programme of small and very small projects** <http://www.vilnius.lt/newvilniusweb/index.php/101/?itemID=6701> (which is extremely relevant to NGOs). The following contact addresses were included: an e-mail, website, the address of the European Commission Support Department in Brussels, etc. The general conclusion is that Vilnius municipality provides ordered, accessible, brief, and user-friendly information.

- *Vilnius municipality suggests municipal projects and informs about possibilities to receive financial support to the projects from the municipal budget.*

The addresses of support programmes are provided (for example, **Programme to encourage integration of the disabled persons into society** <http://www.vilnius.lt/newvilniusweb/index.php/101/?itemID=67019>), municipal projects are suggested (for example, **A contest for projects aimed to solve social problems of Vilnius city inhabitants or city in itself** <http://www.vilnius.lt/newvilniusweb/index.php/101/?itemID=83660>;

A contest of projects to support social initiatives for 2004 <http://www.vilnius.lt/newvilniusweb/index.php/101/?itemID=80325>;

A contest of project to support social initiatives from Vilnius municipality budget <http://www.vilnius.lt/newvilniusweb/index.php/101/?itemID=80379>

A contest of financing ecological education projects was announced in Vilnius <http://www.vilnius.lt/newvilniusweb/index.php/101/?itemID=85069> ir kiti)

Contact addresses and phone numbers, contest provisions and application forms are indicated.

- *Vilnius municipality provides reports about the past allocation of municipal funds for projects*

For example, **The list of fund allocation for supporting cultural programmes in 2007.**

<http://www.vilnius.lt/newvilniusweb/index.php/101/?itemID=84452>, etc.

The reports include the total amount of money allocated, the lists of organisations that have received the financial support and the amount each organisation has received.

- *Vilnius municipality invites NGOs to exchange their experiences – it is a very important initiative aspect of Vilnius municipality in promoting horizontal relations of social capital.*

For example, Vilnius municipality **invites to discuss on the topic: Impediments of volunteer activities and major achievements in 2001.**

<http://www.vilnius.lt/newvilniusweb/index.php/101/?itemID=79205> 2001-07-19;

Vilnius municipality Social Support Centre organises a roundtable discussion "A year of Volunteer Activities in Lithuania – Expectations and Opportunities" covering the issues of how do volunteers manage to implement goals and tasks for the year, what problems do non-governmental organisations, municipal and state institutions face in attracting volunteers for a joint action. The programme of the event, contact e-mails and telephone numbers are provided.

- *Vilnius municipality provides contacts for the development of NGO cooperation, helps NGOs to organise their activities.* For example, **Lithuanian Youth Organisations** <http://www.vilnius.lt/newvilniusweb/index.php/101/?itemID=83940>

The Union of Vilnius Youth Organisations "A Round Table" was established in September, 1998. According its by-laws the Union is an association of Vilnius social youth organisations, registered in Vilnius municipality. The major goal of the Union is representation of all youth organisations operating in Vilnius in municipal territory;

Lithuanian non-governmental organisations propose schoolmasters to cooperate. NGO "THE CENTRE FOR A SAFE CHILD"

<http://www.vilnius.lt/newvilniusweb/index.php/101/?itemID=66879>;

Lithuanian non-governmental organisations propose schoolmasters to cooperate. NGO "CHILDREN SUPPORT CENTRE" <http://www.vilnius.lt/newvilniusweb/index.php/101/?itemID=66878>

Lithuanian non-governmental organisations propose schoolmasters to cooperate. NGO Youth Centre "Babylon"

<http://www.vilnius.lt/newvilniusweb/index.php/101/?itemID=66876>

The cooperation between educational and research organisations is supported

<http://www.vilnius.lt/newvilniusweb/index.php/101/?itemID=67044>

- *Vilnius municipality allocates funds for training the staff of non-governmental organisations,* for example,

For training the staff of non-governmental youth organisations 40 thousand LT (over 13 thousand Euros) were allocated.

<http://www.vilnius.lt/newvilniusweb/index.php/101/?itemID=83287> 2006-08-28

It was observed that Ukmergė municipality provides the following information on its website www.ukmerge.lt:

- *Ukmergė municipality informs about the projects provided by non-governmental organisations*

(Information about the projects provided by non-governmental organisations in 2007)

<http://www.ukmerge.lt/index.php/lt/36292/>;

Information about the projects provided by non-governmental organisations in 2006

<http://www.ukmerge.lt/index.php/lt/32880/>).

The website indicates the number of projects proposals Ukmergė municipality has received in certain years (in 2006 113 project proposals by non-governmental organisations were submitted for the contest and the total amount of money requested was 478 484,17 Lt (138 578 EUR), and in 2007 96 project proposals by non-governmental organisations were submitted for the contest and the total amount of money asked 596851,33 Lt (172 860 EUR). The funds requested were allocated according to four priorities: 1) cultural education, 2) providing social support and social services, 3) healthcare, organisation of tourism and sport activities, and 4) project co-financing. All

this information is useful for interested parties though it is not a proposal from a municipality but bureaucratic generalisation of projects proposals from a "book-keeper's" point of view.

- *Ukmergė municipality requires reports about how the funds were used*

Attention to NGO project submitters! <http://www.ukmerge.lt/index.php/lt/38441/>. Ukmergė Municipality Department for Investment and International Relations requires NGO to submit reports about the projects financed by the municipality. The report forms were provided on the following website: <http://www.ukmerge.lt/EasyAdmin/sys/files/3%20priedas%20%20Dalykine%20projekto%20igyvendinimo%20ataskaita.doc>. In the fourth chapter "*Cooperation*" it was suggested to evaluate positive and negative aspects of cooperation with different partners when implementing the project, it is being asked to provide Ukmergė Municipality Department for Investment and International Relations and other possible interested parties about other improvements.

- *Ukmergė municipality informs about possible financial support to the projects in and outside the municipality. Some contact addresses are provided.*

Therefore, when comparing informational policies of Vilnius (central) and Ukmergė (peripheral) municipalities, clear qualitative differences could be observed. Vilnius **municipality coordinates and encourages the process of horizontal information communicational process**. Vilnius municipality has a much better horizontal coordination. Non-governmental organisations are provided with concrete ordered information, horizontal relations between non-governmental organisations are encouraged, experience exchange processes are organised on the municipality's website (which is the most accessible form for the interested parties). All this corresponds to the *Model of New Public Management*. Vilnius municipality applies cooperative management model while Ukmergė municipality applies the traditional bureaucratic model and the strategy of hierarchical administration and domination over information when project winners are provided with the funds and at the end of the year they are asked to provide a bureaucratic type report on fund application. It is all contacts and informational interaction. Horizontal social networks are weak and there are almost no collective actions for dilemma solving. Vilnius municipality is more oriented towards horizontal relations which, as R. Putnam (and other researchers) have pointed out, are extremely important for social capital growth, and such efforts are poor in Ukmergė municipality. Thus, Ukmergė municipality should change its management style. A possible justification could be that Ukmergė's municipality is small, does not have many employees while Vilnius municipality has many employees and, therefore, the results are different. It is partly true and it does not indicate only different informational policy and reveals one more important factor of social capital and democracy consolidation— different approaches and habits of management culture by the local elite (municipal administration). Management culture clearly differs in the periphery and in the centre. However, it is possible to find information that non-governmental organisations in Ukmergė municipality lack the information and informational activities that are provided to non-governmental organisations by Vilnius municipality (centre). It is true that such information could be found on the national databases of non-governmental organisations found at <http://www.labdara-parama.lt/inner.php?mid=4> and *Non-governmental organisation information and support centre* (Vilnius, Lithuania) found at <http://www.nisc.lt>, but it is not enough.

Lina Balsytė (Balsytė L. *Non-governmental Organisations in Lithuania – Takers of Governmental Functions?*, found on <http://www.bernardinai.lt/index.php?url=articles/45126>) points out that on March 17th, 2006 a discussion aimed to find out why Lithuanians are slow to join non-governmental organisations took place in Ukmergė Cultural Centre. It seems that people do not have self-confidence and trust that the present situation could change. The discussion "Civil Society without Civils?" was organised by "Bernardinai.lt" and Non-governmental Organisations' Information and Support Centre. The major supporter of the event was the Embassy of the United Kingdom in Lithuania. The event was part of the projects, aimed at strengthening civil society, which was carried out by "Bernardinai.lt". The discussions were organised in all Lithuanian regions. Thus, the event was organised not by Ukmergė municipality but by the national NGOs and it is not clear how did the local municipality took part in the event. The event attracted sixty Ukmergė inhabitants and it is not a small number. The participants discussed that "the contraposition between state and non-governmental organisations is a paradoxical but not wonder arousing issue. It is strange that seemingly two powers should join their efforts as they seek the same goals, at least theoretically, for some reasons they do not cooperate", "the principle of cooperation with the state institutions does not exist". It seems that a non-governmental organisation is established to be the enemy for a state institution. Although both, state institutions and non-governmental organisations serve the society, certain interests are faced", "civil society is an extremely important public space because having the same goals, people need to discuss a lot about them publicly and seek that problems discussed become political". A. Navickas in "Bernardinai.Lt" said that "it would be naive to hope that after the discussion non-governmental organisations in Ukmergė will attract many new members. One discussion can not change the complex situation. On the other hand, the reaction and questions by the participant indicate that discussions of such kind are extremely important. They help to understand better civility and, finally, they encourage" (Navickas 2007). It is clear that there is a need for different informational policy in the periphery from the bottom up but it is poorly reacted from the bottom-down.

The basis of social capital is the role of interaction between social structures operating in the communities and the approach of community members, which influences collective activities of inhabitants. Informational and communicational aspects are very important here. Civil society is now in the process of establishment in Lithuania and good traditions are missing. The general conclusion is the following: insufficient level of social capital (anomy) (has a negative impact) on the interaction between state institutions and non-governmental organisations and the improper type of social administration causes the problems of democracy consolidation; therefore, it is necessary to apply "more active social policy" measures that would increase the level of social capital and (decrease the level of anomy) in Lithuania.

CONCLUSIONS

The results of the empirical research and the interview-based surveys of Vilnius City and Ukmergė district indicate that interaction between municipalities and NGOs is characterised by the lack of social capital. Therefore, inadequate type of social administration that causes the problems of democratic consolidation is being developed. To increase the

level of social capital and to decrease civic anomy it is necessary to apply the means of "more active social policy" in Lithuania.

The analysis, the evaluation and the forecast of the quality of interaction between municipalities and non-governmental organizations should be based on two modern social science models - the New Governance and the New Institutional Economics. They would open more favourable possibilities for cooperation between municipalities and NGOs, make municipal administration and politicians treat non-governmental organizations as partners that take certain "social niches" and often are able to provide social services more efficiently. The interview results have indicated that subordinate, subservient non-governmental organizations that have good personal contacts and that avoid political control most often receive support from municipalities. The asymmetrical information that hinders non-governmental organisations to find out the information for project proposals and to develop international relations is a big problem of interaction between municipalities and non-governmental organizations in both Vilnius city and Ukmergė district. Asymmetrical information was bigger problem in Ukmergė district than in Vilnius city. In many ways asymmetrical information disproportion power relations increase unnecessary transactional costs. NGOs in Vilnius city were characterised as having more independence and variety of activities as well as having more critical approach to municipal administration and politicians. Only one NGO leader out of 6 in Ukmergė district was more open and critical about municipal activities. The authors of the article have pointed out four municipal and non-governmental cooperation levels that have direct impact on the quality of interaction between NGOs and the municipality. The cooperation between the municipality and non-governmental organizations in Vilnius was evident on two levels while it would reach only the first or the second level in Ukmergė district. Three scenarios of NGO activities as developed by the authors of this article demonstrate the domination of the traditional public administration model that impedes the cooperation between municipalities and non-governmental organizations in Lithuania.

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OPŠTINE I NEVLADINE ORGANIZACIJE: STANOVIŠTE DVAJU MODELA

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U radu je data analiza interakcije dveju opština i nevladinih organizacija u dve Litvanske oblasti - oblasti Vilnius i Ukmerge. Ova analiza se zasniva na dva modela – Nove vlade i modela Novih ekonomskih institute. Empirijsku osnovu istraživanja čine tri intervjua koji su vodili službenici opštine i aktivisti nevladinih organizacija. Rezultati ankete pokazuju razlike između centra i periferije u Litvaniji - uglavnom zbog različitih nivoa asimetričnosti, troškova transakcije i društvenog kapitala. Ovaj članak se sastoji iz tri dela - uvoda u prvom delu, koji se bavi primenom već spomenuta dva društvena modela, tri ankete u drugom delu i analize odnosa između informacije i društvenog kapitala u dve litvanske oblasti. Članak ne samo da ne obezbeđuje nedovoljan nivo društvenog kapitala tokom interakcije opština i nevladinih organizacija, već predstavlja mere za poboljšanje i postizanje višeg nivoa interakcije, poboljšavajući potencijal nevladinih organizacija i smanjujući asimetričnost.

Ključne reči: *opštine, nevladine organizacije, društveni kapital, asimetričnost*