



THE IMPACT OF THE CRISIS ON CIVIL SOCIETY ORGANISATIONS IN THE EU

*RISKS AND OPPORTUNITIES
SUMMARY*



European Economic and Social Committee

Study on the Impact of the Crisis on Civil Society Organisations in the EU - Risks and Opportunities

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Short Summary

This study addresses questions concerning the state of the Civil Society and how Civil Society Organisations have been affected by the Financial Crisis. Through analysis of data gathered from various reports and other documentation, in-depth interviews with a number of individual representatives from different organisations and thought-leaders in the field, and results of a questionnaire survey, this study reveals a diversity of responses from the broad field of civil society in Europe.

This diversity, however, is also one of the sources of richness of this study, which shows some examples of how different CSOs have dealt with the Crisis. From Romania to Belgium, there have been different encounters with how CSOs have dealt with the consequences of the Financial Crisis. We have found key challenges and opportunities which can be useful to the European Union level discussion.

Perhaps the financial and economic crisis, which has now emerged as a fundamental crisis of the EU's role in European society, can be seen as an **opportunity to rejuvenate civil society to different, and potentially more productive and co-operative roles in decision-making processes**. As is raised in this study, we could even start to rethink the meaning of democratic participation in policymaking by civil society. We show there is a potential for civil society in all of its different colours to facilitate engagement of European citizens for better, more constructive, engaged and fulfilling lives.

Main findings and analysis

Main findings: impact of Financial Crisis			
Funding	Voice	Opportunities	Engagement
<ul style="list-style-type: none"> - Local level cuts - EU-level consistent funding - Alternative businessmodels - Small and/or local CSOs feel most impact 	<ul style="list-style-type: none"> - Forming alliances in order to have a voice in decision-making processes - Cooperation in resource-management 	<ul style="list-style-type: none"> - Less interaction with policy-makers - Interaction with CSOs has been shifted to Finance-ministers 	<ul style="list-style-type: none"> - More unemployment - More skilled, short-term unemployed volunteers - More requests for support from unemployed individuals

The main findings of the report are presented in terms of four specific areas where the relationship between CSOs and political institutions and policymaking actors may be affected: funding, voice, opportunity and engagement.

In terms of **funding**, many CSOs have not (yet) felt the full consequences of austerity. However, there is a constant threat that funding cuts will come 'soon.' CSOs most affected by the moves toward austerity are those smaller organisations engaged at the local level, which have already experienced local and regional government cuts. In some areas, the acquisition of public funding has become a zero-sum game, where CSOs often pit themselves against each other in order to obtain part of the limited amount of funding that is available. Curiously, EU-level funding has been seen as one consistent (if arduous) means of securing regular and reliable public funding for eligible CSOs. Additionally, the question of funding has been one of the key drivers in encouraging certain CSOs to turn towards different business

models to maintain themselves. Some CSOs that used to be reliant upon state/public funding have turned towards other models such as charging membership fees to develop sustainable practices.

Connected to innovative ways of seeking funding, some CSOs have realized that through working together with other CSOs to form alliances and networks actually helps increase their chances of having their **voice** heard within increasingly stretched policymaking spheres. Some CSOs, notably at the local level, collaborate with others in their areas of interest, rather than working in an isolated and more closed manner. This collaborative environment has led to the creation of broad 'fronts' in which CSOs can work together to ensure that they are effectively managing the resources they have at their disposal, and are effective in interacting with politicians and policymakers that are also working under a great deal of uncertainty and risk.

The socio-economic crisis triggered by the financial crisis in Europe has resulted in an increased need for CSOs to work hand in hand with governments to solve these pressing problems that have emerged, in part, as the result of the financial crisis. Most respondents to the survey and interviews stated that the *opportunities for speaking to policymakers and politicians, or – more precisely – interacting with political institutions, were drastically reducing*. This is due to budgetary restraints made on policy-specific areas within governments. Most channels of communication concerning financing for CSO activity were now driven by "a different language". However, CSOs have been responding to this by continuing to build upon their approach to interacting with political institutions. This involves **better communication, enhanced management skills, and flexibility in the discourse used** to include terms such as "return on investment" and other project/finance oriented terms: in short, Civil Society has emerged stronger and more equipped to deal with this period of uncertainty and risk, although public support is still necessary.

Citizen **engagement** in CSOs in the wake of the first reactions to the financial crisis have been split. Obviously, for Trades Unions and other employee associations, the rise in unemployment has meant that there are many more individuals requesting support from some CSOs. Many workers in many fields are now being brought into employment, but under different work agreements to those signed before the Crisis. However, in some sectors (such as CSOs that are involved in ICT-related fields), the increase in skilled short-term unemployed people has meant that there has been an increase in volunteers, for people who now have some free time to spend besides their search for employment. In this sense, Civil Society, and the individuals that comprise it, have become far more socially innovative, creative and engaged.

Risks for Civil Society

The risks posed by the impact of the Crisis are different for different clusters of CSOs. Firstly, **whereas larger (global-level) CSOs seem to have – relatively speaking – not suffered too badly from the Crisis concerning funding, many smaller local-level CSOs are finding it very difficult to shift from models of financing that are heavily reliant upon local authorities to ones that can obtain funding from elsewhere**. This argument is also valid for those countries where civil society is heavily embedded within public institutional structures, through the National Economic and Social Committees, for example.

This risk for smaller CSOs of being lost in the cacophony of voices is made even more complex in certain respects by the responses of certain governments to austerity (noted particularly in the UK and Greece). The forums for discussion between CSOs and policymakers have been diverted towards 'economic interest', and this has resulted in **long-standing political relationships being re-wired as interactions between civil society and governments have shifted towards concerns over financial accountability**. In many cases, this has resulted in changed discourse at the level of policymaker, where terms such as (economic) efficiency and (social) return on investment are used instead of broader notions of solidarity and public value.

This also affects the relationship between individuals and civil society, as society goes through a complex set of changes where engagement is not at all easily codified. It appears that the trend is for individuals to be more apathetic about societal values, and **yet more willing to engage on specific issues that are close to their hearts**. The risk in this situation is that civil society organisations have to start to 'compete' for individuals' attentions, as if they were 'selling' social awareness.

Opportunities

Despite these looming threats, which are in some cases very real risks, the Crisis has clearly shown stories of positive responses by and towards CSOs. These generally revolve around the process of a maturation of the concept of a European Civil Society. There are clear opportunities for encouraging shared ownership and allocating a level of enhanced responsibility upon CSOs in the EU, with all due attention to the notion of accountability. CSOs also now have the unique opportunity to strengthen their message, and show that they can function together more coherently, cross-sectorally, to help solve some of Europe's longstanding problems.

We also have a once-in-a-lifetime opportunity to use the moment of the Financial Crisis to encourage further debate on how civil society as a whole relates to policymakers, particularly looking at how we can develop frameworks for facilitating non-institutional innovations to be promoted and sustained within the institutional frameworks of the NESC as well as at the EU level.

Recommendations

- Think more about engagement and participation of citizens in CSOs in order to ensure that we maintain an active and democratic society based on principles of justice, equality and fairness.
- Develop mechanisms to encourage and support bottom-up actions that can be made sustainable: "organising without formalising." In order to do so, it is necessary to first recognise that civil society is increasingly unstructured, mobile, and very often purposely not bound to any institutional framework.
- Encourage cross-sectoral engagement and interaction between different civil society groups, by providing opportunities for such initiatives to take place at the local and national levels. The role for the NESC and equivalents should be of great importance here.
- Ensure that this engagement spans across the different Groups within the EESC, in order to ensure that the maximum benefit is gained from the different levels of needs, whilst also maximising engagement opportunities.
- Increase professionalization of CSOs: better organization, enhanced communication strategies, more effective delivery (where appropriate) and organization of the 'back offices,' in order to ensure that the right 'discourse' is used when talking to politicians and policymakers.
- Help the National ESCs and their equivalents to engage in supporting the activities of civil society in their own regions and countries by enhanced networking and engaged discourse within and amongst their European partners. This message must be more widely spread at the national and sub-national level through different channels, perhaps engaging with social media in more creative ways.



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