

Opinion of the Economic and Social Committee on 'Voluntary Organizations and Foundations in Europe'

(98/C 95/20)

On 17 September 1997, the Commission decided to consult the Economic and Social Committee, under Article 198 of the Treaty establishing the European Community, on 'Voluntary Organizations and Foundations in Europe'.

The Section for Social, Family, Educational and Cultural Affairs, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 15 January 1998. The rapporteur was Jan Olsson.

At its 351st plenary session (meeting of 28 January 1998) the Economic and Social Committee adopted the following opinion by 79 votes in favour, one against and five abstentions.

1. Introduction

1.1. In its Communication on Voluntary Organizations and Foundations in Europe⁽¹⁾, the Commission outlines the specific features, role and importance of the sector in Europe. The Commission emphasizes that voluntary organizations and foundations are playing an important role in almost every field of social activity. They contribute to employment creation, active citizenship, and democracy. They provide a wide range of services, represent citizens' interests to public authorities, and promote and safeguard human rights, as well as playing a crucial role in development policies. The Communication also describes the problems and challenges facing the sector. Finally, the Commission puts forward a series of recommendations for initiatives at voluntary sector, national and EU level.

Three specific categories, viz: political parties, religious societies and the social partners, are not touched upon either in the Communication or, consequently, in this opinion.

1.2. At its December plenary session, the Economic and Social Committee adopted an own-initiative opinion on 'charitable associations in the field of social welfare'. The present opinion is more comprehensive, and covers the general activity of voluntary organizations and foundations.

2. General considerations

2.1. The Economic and Social Committee, which represents European citizens' organizations, welcomes the long-awaited Communication and appreciates the Commission's positive approach to voluntary organizations and foundations.

2.2. The Committee feels the Communication should be followed up with concrete measures.

2.3. When discussing voluntary organizations, the Member States use different expressions and have different concepts of what the sector comprises. These differences are also reflected in the differing legislation. The Communication uses the term 'social economy' — which, however, also includes cooperatives and mutual societies. In some countries, there is no dividing line between the economic activity carried out by voluntary organizations and by cooperatives.

Most voluntary organizations are small and have limited economic resources. A large proportion of the voluntary sector is made up of organizations which are motivated by idealism, and which are of great importance to people's daily lives.

On the other hand, a significant number of voluntary organizations operate extensive economic activities. A feature of these organizations is the fact that they respect market forces, yet remain outside the market.

2.4. Notwithstanding the differences in terminology and legislation, the Committee would emphasize the common principles which apply to the voluntary sector and the social economy, and which distinguish it from other forms of activity.

The essential criteria are that they should be democratically structured, contribute to the public good or the good of their members, and be non-profit-making. This opinion only deals with voluntary organizations which fulfil these basic criteria.

2.5. The foundations covered by the Communication are independent, and administered according to their own judgement and in the public interest.

Since these foundations work in the same spirit as voluntary organizations, the Committee feels that cooperation is necessary.

2.6. There are some 100 000⁽²⁾ foundations in Europe which dispose of large resources to be used for the public

⁽¹⁾ COM(97) 241 final.

⁽²⁾ Source: European Foundation Centre, 1997.

good, and to fund voluntary organizations and their operational activities in particular.

2.7. In the run-up to the IGC, voluntary organizations had high hopes of an explicit reference to the sector's role being enshrined in the Treaty. The Committee regrets this did not happen, as it would have provided political recognition for the activities of the voluntary sector. The sector is, however, affected by the declarations adopted in Amsterdam on voluntary service activities⁽¹⁾ and sport⁽²⁾.

2.8. The new Treaty introduced the transparency principle with regard to citizen access to EU official documents. The Committee would emphasize the role of the voluntary sector in enabling citizens to take full advantage of this right, and hopes for a speedy practical application of the transparency principle.

2.9. The Communication shows clearly that voluntary organizations and foundations are needed to implement EU policies in most areas.

The Committee therefore believes it is vital that the various EU institutions and other bodies should cooperate with and support voluntary organizations and foundations.

2.10. In the run-up to EU enlargement, the Committee would call on the Commission to ensure that accession negotiations take account of the situation of voluntary organizations and foundations in the applicant countries, both in terms of legislation and other opportunities for full participation in European cooperation.

2.11. Given the lack of information on the sector, the Committee believes it is essential to carry out regular surveys in order to be able to assess the development of voluntary organizations and foundations in all EU countries.

⁽¹⁾ No 38: The Conference recognizes the important contribution made by voluntary service activities to developing social solidarity. The Community will encourage the European dimension of voluntary organizations with particular emphasis on the exchange of information and experiences as well as on the participation of the young and the elderly in voluntary work.

⁽²⁾ No 29: The Conference emphasizes the social significance of sport, in particular its role in forging identity and bringing people together. The Conference therefore calls on the bodies of the European Union to listen to sports associations when important questions affecting sport are at issue. In this connection, special consideration should be given to the particular characteristics of amateur sport.

3. Democracy and welfare

3.1. The Committee would particularly emphasize the importance of voluntary organizations in bolstering democracy in Europe. They provide individuals with an outlet for their ideas, and an opportunity to work towards the goals they believe in; they can carry out meaningful tasks and find a place in society; they can make themselves heard, and influence and achieve change.

By organizing themselves, citizens provide themselves with a more effective means of impressing their views on different society-related issues on political decision-makers.

Strengthening non-parliamentary democratic structures is a way of giving substance and meaning to the concept of a Citizens' Europe.

The Committee supports the framing of a European Citizens' Charter, as proposed by, *inter alia*, the Permanent Forum of Civil Society.

Citizens regard party political and parliamentary work with increasing scepticism. Together with other organizations, voluntary organizations can help to offset this, and help boost democracy and parliamentary input.

3.2. The globalization of the economy and politics is giving rise to a situation whereby decisions are frequently being taken further and further away from the persons concerned by these decisions.

3.3. In this respect, thanks to their strong grass roots connections, voluntary organizations provide an increasingly important means of defending local democracy.

4. Employment

4.1. Employment opportunities within the European voluntary sector have mushroomed over the last few years⁽³⁾.

Many voluntary organizations and foundations have embarked on projects aiming to fight unemployment and to integrate the weaker groups in society.

4.2. Several Committee opinions have highlighted the role both the social partners and other specific interest organizations can play in boosting employment⁽⁴⁾.

⁽³⁾ A study carried out by the John Hopkins University puts the number of people employed in the voluntary sector in 1990 in four EU Member States (United Kingdom, Germany, Italy and France) at 3 million.

⁽⁴⁾ Cf. ESC opinion on the European Council on Employment, OJ C 355, 21.11.1997, p. 64.

4.3. The Committee welcomes the employment summit's confirmation of the role of the social economy. The Member States, within the framework of corporate development, undertake to investigate measures to take advantage of the social economy's employment creation potential at local level, and in areas in which the market does not satisfy demand.

In this connection, and without obligation, the Member States are also to examine ways of reshaping taxation systems and employers' contributions; this could be an important measure to boost employment in the voluntary sector.

4.4. With this in mind, the Committee would call on the Member States to involve voluntary organizations and foundations in the fight against unemployment.

5. Specific comments — the Member States

5.1. In the Committee's view the subsidiarity principle should continue to be applied to legislation governing voluntary organizations and foundations. At the same time, the Committee would call on the Member States to review their regulations, to remove any obstacles to the variety and development of such bodies.

5.2. The Committee calls on the Member States and voluntary organizations and foundations to cooperate on measures to raise the profile of the latter and use the Commission Communication as a basis for discussion of their role and development. The measures and their impact should be the object of a special Commission report to be published by the year 2000 at the latest.

The Committee would also point out the need to implement long-term national research programmes, to be framed in consultation between voluntary organizations/foundations and research institutes and responsible authorities, and funded jointly by foundations and the public sector.

It is vital that the results of research should be disseminated widely. Initiatives from the sector itself can be of considerable assistance here.

5.3. The Commission recommends that the Member States should review the relationship between public authorities and voluntary organizations, in consideration of the enhanced role of the latter.

The Committee is, however, firmly opposed to the public sector shifting its responsibility for basic welfare onto voluntary organizations. Such a shift presupposes a partnership which satisfies the objectives and conditions of both parties. Voluntary organizations must

be involved in the planning stage, so that they can play an active part and influence the content of any measures they agree to implement.

5.4. The Committee would emphasize the need for allowances and income from services and assignments to be underpinned by long-term agreements between voluntary organizations and foundations.

5.5. Since voluntary organizations and foundations differ from traditional economic sectors, and aim to work for the public good, they are often taxed differently. Taxation rules vary from country to country and are complicated. The Committee believes that a guiding principle in the ongoing revision of Member States' tax legislation should be that voluntary organizations and foundations must not be put at a disadvantage.

5.6. The Committee feels that voluntary organizations should enhance their financial independence by boosting income from their membership — e.g. by recruiting new members, increasing membership fees, and selling goods and services to their members — and from external sources, such as the general public and business.

5.7. The Commission feels that voluntary organizations and foundations should have better access to Structural Fund resources.

In line with the subsidiarity principle, several avenues exist for achieving this at national level.

6. Specific comments — voluntary sector and foundations level

6.1. The Committee believes that voluntary organizations and foundations would benefit from increased cooperation at national level, in order to be able to speak with one voice on common, sector-specific issues.

6.2. The Committee would also point out the need for voluntary organizations and foundations to cooperate with business and organizations representing business interests, and with trades union organizations. This should be underpinned by mutual trust and exchanges of experience in areas such as the environment, culture, education, health and social protection.

6.3. The Committee calls on European networks and organizations to raise their profile both with EU institutions and in the Member States. The Committee calls on networks and organizations to ensure they are represented in all Member States, press for an increase in their membership, and cooperate in an effort to be more representative.

6.4. The Committee shares the Communication's view that voluntary organizations and foundations need to be encouraged to cooperate more at European level, and that they should, in conjunction with the Commission, find suitable measures for such initiatives.

6.5. The Committee calls on voluntary organizations and foundations to harness various EU-funded education and skill development programmes. These programmes should not be restricted to employees, but should also be extended to board members.

6.6. The Committee calls on voluntary organizations and foundations to harness the recently adopted European Voluntary Service programme, in order to offer volunteer posts in their organizations to under 26 year olds. At the same time, their own young members can work in peer organizations in other Member States.

The Committee believes that this programme should provide a blueprint for a similar programme open to all employees and volunteer workers in voluntary organizations and foundations.

7. Specific comments — Community level

7.1. The Committee would refer to its opinions on the Commission proposal on European voluntary organizations⁽¹⁾ and on a statute for a European company⁽²⁾, and would call on the Commission and the Member States to come to a swift agreement on this matter.

7.2. The Committee notes that, for the moment, the Commission is looking into the possibility of putting the existing consultative committee for cooperatives, mutual societies, associations and foundations (CMAF) on a permanent footing, in order to further improve channels of communication with the whole sector in matters of general interest. Voluntary organizations and foundations in all Member States and in all sectors should therefore be actively involved in the committee's work.

7.3. In sector-specific issues, it is important for the Commission to establish useful dialogue with established, representative European networks and organizations.

The Committee calls on the Commission to undertake a systematic review of existing consultative and management committees within the EU system to assess whether voluntary organizations and foundations should be represented. The results of this review should be reported to the CMAF before the end of 1998.

7.4. The Committee advocates that the Commission, after consultation with voluntary organizations and foundations, devise practical plans showing how the

Communication's objectives can be translated into practice in the day-to-day activities of all DGs. The result of this consultation should be reported according to the procedure recommended in point 7.3 above.

7.5. In the Committee's view, the debate on the future of the European welfare model between the social partners and voluntary organizations and foundations should be developed in greater detail, inter alia, within the framework of the European Social Forum, scheduled for June 1998.

7.6. Voluntary organizations also play a major role as employers. The Committee notes with interest the ongoing discussions between social economy representatives and the European Trade Union Confederation concerning the introduction of 'voluntary' social dialogue to back up social dialogue between the traditional social partners in the labour market.

7.7. The Commission is considering proclaiming a special 'European year of voluntary organizations and European citizenship'. The Committee is very sceptical about the proposal. It should only go ahead if it can enlist the support of representatives of the sector, and give them ample opportunity to take part in planning the activities at both national and European level.

Whether a 'voluntary organizations year' is proclaimed or not, voluntary organizations should be given ample opportunity to play an active part in other 'European Years'.

7.8. The Committee assumes that voluntary organizations and foundations will have access to all EU programmes open to private sector players.

In this connection, the Committee would, however, highlight some new initiatives which should be taken into consideration:

- promotion of exchanges between voluntary organizations and foundations in the Member States and the applicant countries, in order to create a broad, democratic process;
- presentation of programmes to combat unemployment, poverty and social exclusion within the framework of the new Treaty provisions on employment;
- creation of a risk capital fund for the social economy through, inter alia, cooperation between foundations and the European Social Fund;
- opening up EU twinning programmes to the voluntary sector;

⁽¹⁾ OJ C 223, 31.8.1992.

⁽²⁾ OJ C 19, 21.1.1998, p. 116.

7.9. The Committee expects the Commission to put forward its promised programme on cooperatives, mutual societies, voluntary organizations and foundations in the near future.

7.10. The Committee would stress the need for the Commission to encourage voluntary organizations and foundations to engage in wider European cooperation. This should also be extended to applicant countries.

In order to provide a stable, long-term environment, support should be guided by the fundamental principle that European cooperation is necessary.

The Committee therefore endorses the proposal to set up a special fund to facilitate European cooperation for voluntary organizations and foundations. The fund should be run by a management committee which safeguards their influence over the use of funds. Appropriations — in addition to basic support — could also be used for preparatory studies for transnational projects, microprojects, networking seminars, exchange visits and other, highly innovative, initiatives.

7.11. The Committee would stress that the EU Commission generally allows organizations to pay in kind the contribution they are often required to make to EU projects. This is consistent with Commissioner Gradin's answer to a question tabled in the European Parliament in April 1997.

7.12. With reference to how voluntary organizations and foundations stand in relation to competition rules, the Committee would refer to its opinion ⁽¹⁾ on the 24th report on competition policy, which states that 'more particularly, voluntary and social activities in support of marginalized groups might be allowed to benefit from state aid and specific legislative concessions.' A ruling recently handed down by the European Court of Justice states that every Member State is free to promote

⁽¹⁾ OJ C 39, 12.2.1996.

activities in this sector, rather than in profit-making companies ⁽²⁾.

7.13. The Commission has announced proposals for Community rules on VAT and certain other taxes. This could impact considerably on voluntary organizations and foundations.

The Committee calls on the Commission to set up a study group — to include representatives from the voluntary sector and foundations, and from the Member States — in order to arrive at suitable solutions.

7.14. The Communication recommends, on the one hand, setting up a special observatory, and on the other, placing existing bodies such as BC-Net and Europartenariat — subject to certain changes — at the disposal of voluntary organizations and foundations which are looking for cooperation partners for European projects.

The Committee feels, however, that it would be more useful to support voluntary organizations' and foundations' own initiatives by concluding a special agreement with representative European organizations, with a view to establishing an independent body linked up to the social economy. This would be able to provide an overview of existing research in the area, commission research, collate and publish annual, updated statistics relating to the scope, activities, economy etc. of voluntary organizations and foundations. An important task would be to publish a sector-specific glossary, with the terminology and definitions used in relation to voluntary organizations and foundations and their activities.

7.15. The Committee calls on the Commission to share responsibility with the Member States and voluntary organizations and foundations for ensuring that the Communication's declared objectives are implemented. A progress report should be submitted by the year 2000 at the latest, and forwarded to the Economic and Social Committee.

⁽²⁾ Case C 70/97 Sodemare/Regione Lombardia.

Brussels, 28 January 1998.

The President
of the Economic and Social Committee
Tom JENKINS