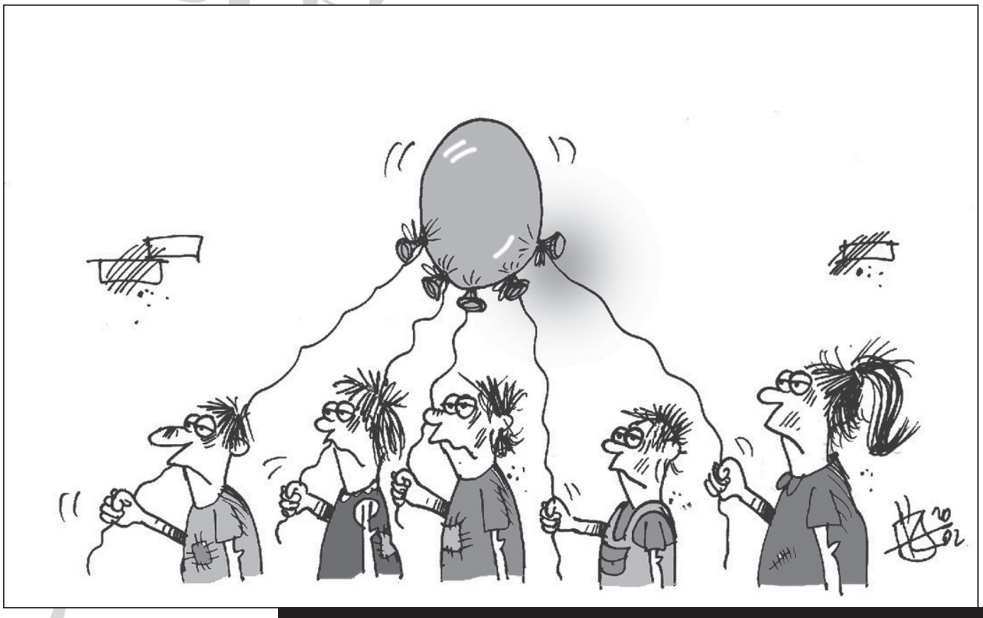
Well-being Reconsidered:
Empowering Grassroots Organizations



Cross-country Experiences from the Grassroots Europe for Local Wellbeing Initiative

Edited by Roxana Radu
and Jelena Radišić

Education and Culture DG
'Europe for Citizens' Programme

OPEN SOCIETY FOUNDATIONS

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Edited by
Roxana Radu *and* Jelena Radišić

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List of Abbreviations

Abbreviations used in this volume:

ACT	Australian Capital Territory
BAPF	Baltic American Partnership Foundation
CEDEFOP	European Centre for Development and Vocational Training
CONCORD	European NGO Confederation for Relief and Development
CONECCS	Consultation, the European Commission and Civil Society
CSO	Civil Society Organization
CSR	Corporate Social Responsibility
CZK	Czech Crone
DG	Directorate General
EAPN	European Anti-Poverty Network
EC	European Commission
EIDHR	European Instrument (previously Initiative) for Democracy and Human Rights
ERC	European Research Council
ERDF	European Regional Development Fund
ESF	European Social Fund
ESP	Education Support Program (Open Society Foundations)
EUR	Euro
EU	European Union
EVS	European Values Study
GDP	Gross Domestic Product
HDI	Human Development Index
HUF	Hungarian Forint

ICSMPS	National Institute for Occupational Safety Research and Development
LCIF	Latvian Community Initiatives Foundation
LGID	Local Government Improvement and Development
NDP	National Development Plan
NGO	Non-Governmental Organization
NED	National Endowment for Democracy
NIF	Neighborhood Investment Facility
NIS	New Independent States
NRP	National Reform Plan
NSI	NGO Sustainability Index
OECD	Organization for Economic Co-operation and Development
OP ACD	Operational Program Administrative Capacity Development
OSF	Open Society Foundations
PBO	Public-benefit Organization
PHARE	The Programme of Community Aid to the countries of Central and Eastern Europe
RON	Romanian Leu
ROP	Regional Operational Program
SOP ENV	Sectorial Operational Program Environment
SOP HRD	Sectorial Operational Program Human Resources Development
SPC	Social Protection Committee
UNDP	United Nations Development Program
VOLUM	Federation of Organisations Supporting the Development of Volunteering in Romania

Introduction

By Roxana Radu

The interconnectedness between social development, well-being, and social justice has so far fallen short of systematic policy prioritizing. In part, this has been due to the lack of a unified approach on how the role of community-based organizations can be strengthened in bottom-up processes. Scrutinizing this line of thought, the core question we address here is: *How can the contribution of grassroots organizations*[1] *to increasing the quality of life be integrated structurally in efforts to fight against disparities regarding education and social inclusion in the European Union?* This inquiry has grown out of a 10-month project entitled *Grassroots Europe for Local Wellbeing*, which has brought together not only representatives of civil society from different EU member states, but also local and national authorities, as well as policy-makers engaged at different levels.

In various ways, the contents of this volume discuss the challenges and opportunities to reconceptualizing grassroots activism, and the role of community-based organizations in advancing local well-being, in particular through education and social inclusion strategies. Grassroots organizations are defined as "self-organized groups of individuals pursuing common interests through volunteer-based, non-profit organizations, that usually have a low degree of formality but a broader purpose than issue-based self-help groups, community-based organizations or neighborhood associations."[2] The theoretical and the practical implications involved in acknowledging the crucial work of grassroots organizations are assessed in the refined framework of the capability approach, and the final recommendations for policy-makers represent the bridge to transforming these ideas into concrete actions.

To situate the debate, this volume opens with a theoretical discussion concerning the rethinking and re-evaluation of well-being and of the involvement of grassroots organizations in generating better living standards in the communities in which they operate. The capability approach draws a fundamental distinction between functionings (what a person is currently doing) and capabilities (what a person is able to do or to become). In turn, this allows for evaluating social policies based on the extent to which they advance

1 Throughout the volume, the terms "grassroots organizations," "voluntary organizations," "community-based organizations" and "grassroots associations" will be used interchangeably.

2 https://webgate.ec.europa.eu/fpfis/mwikis/aidco/index.php/Grassroots_organization

social opportunities, among which individuals can choose the ones they have a reason to value. In departing from solely tackling functionings, both individual and collective capabilities need to be addressed. As such, the work done at the community level by the non-governmental sector appears as an intermediary arena in which local concerns are articulated and voiced primarily by strengthening the social opportunities of the persons involved. At the same time, voluntary associations contribute to shaping social judgements and the very meaning of well-being. In that sense, the fundamental role of grassroots organizations lies in mutually reinforcing personal and collective capabilities.

However, the opportunity to live a good life depends extensively on the social determinants of the relevant capabilities. It is in this context that policy and programming at the national and supra-national levels, along with the work done by civil society organizations (CSOs) at the local level, influence the social alternatives people have, and more broadly, their quality of life. In this regard, well-being measurements should be directed at capturing the contribution of civil society organizations, together with the various other subjective components of living standards.

Ensuring the necessary conditions for capability enhancement also depends on providing the means to have a say in the process of policy-making. Moving beyond national confines, this volume looks at the mechanisms for strengthening participation in the European Union. The case studies included in the second part of this publication take the issue of engagement a step further by synthesizing the well-being related experiences of community-based organizations in five EU member states (Austria, the Czech Republic, Hungary, Latvia, and Romania), in particular in the areas of social inclusion and education. While providing a comparative basis for assessing the impact of structural factors affecting community-based initiatives in different contexts, such evidence identifies current challenges and obstacles in alleviating the main inequalities that affect the quality of life. Additionally, such evidence points to the need of furthering participation at equal levels, promoting CSO professionalization, finding sustainable funding solutions, and anchoring processes of policy and institutional change within local needs.

The Grassroots Europe for Local Wellbeing Project

This volume is the outcome of the *Grassroots Europe for Local Wellbeing* project, which was developed and implemented through the cooperation of five civil society education organizations from Austria, the Czech Republic, Hungary, Latvia, and Romania, from January to October 2011, under the coordination of the Education Support Program of the Open Society Foundations. The project provided European citizens who were active in the field of education and social inclusion with the opportunity to interact together,

and with policy-makers and civil society organizations at the local, national and EU levels. Locally, it pursued a community-based, participatory approach, and sought to involve a diverse array of grassroots education organizations that work towards promoting local development (culture, creativity, and citizen innovation), and fostering local well-being through formal and informal education. By bringing together citizens from diverse social and professional backgrounds, paying particular attention to the perspectives of disenfranchised groups, the project aimed to enable local voices not typically heard to become a part of Europe 2020 policy discussions around education integration issues. This ensured valuable interaction between EU decision-makers, and those directly affected by EU policies.

By benchmarking successful community-based grassroots activities which fostered local well-being, and by collecting policy recommendations for the local, regional, national, and European Europe 2020 process, this project took stakeholder involvement one step further. We believe that expertise and good practice can be shared across Europe, and in particular, between grassroots associations that face similar everyday challenges in different contexts. In the framework of the project, representatives from more than 120 European grassroots organizations had the opportunity to contribute directly to debates, policy discussions, and the development of project models, to foster local well-being through building a multicultural and inclusive society.

Structure of the Volume

The present volume is divided into three parts, each addressing a different set of concerns: firstly, rethinking a unified approach to the role of grassroots organizations in enhancing local well-being; secondly, reconceptualizing practice from the standpoint of the grassroots organizations; and thirdly, addressing the challenges which lie ahead in policy prioritizing at both the national and the EU level. From a methodological point of view, the first part of this publication includes an examination of the theoretical foundations for the capability approach, and its refinement with regards to collective capability enhancement. Additionally, it positions the practical implications of this within the framework of public consultations around Europe 2020, and broader engagement opportunities stemming from supra-national initiatives. The second part of this volume draws on a comparative case-study design, focusing on: country context; grassroots relations with other sectors; challenges and opportunities that the contribution of voluntary associations bring about; as well as specific recommendations for future action.

The first part of this volume includes two chapters. Chapter 1 aims to untangle the complexity around local community well-being, by further refining and deepening our

understanding of the ways in which grassroots organizations advance both individual and collective capabilities and activate social strengths. Two related sets of dynamics have been investigated: the interplay between opportunities at the personal and the community levels, and the relationship between this interplay, subjective measurements of well-being and grassroots contributions. We present the latter as a distinctive project in its own right, which should be taken into consideration when designing human-centered social indicators of intrinsic value. Chapter 2 offers a comprehensive inquiry into the means of strengthening grassroots organizations, by looking at the enhancement of the capability for voice in the European Union, and in particular at the consultation processes launched by the European Commission. Additionally, we provide an analysis of the engagement mechanisms and responses included in the consultations regarding the Europe 2020 Strategy.

The second part investigates the ways in which education and social inclusion outcomes are shaped by the interplay of ideas, institutions, policies and practices in various national contexts. The following five chapters correspond to country-level case studies: Austria, the Czech Republic, Hungary, Latvia, and Romania. They are presented in depth, and are followed by a comparative analysis, which reveals the major underpinnings of developing initiatives and implementing projects at the local level. Notably, in spite of the different historical development paths of civil society in the countries under examination, similar systematic deficiencies are identified across the five EU member states.

The third part includes concluding remarks and calls for designing comprehensive solutions to fostering local well-being, while acknowledging and strengthening the role of voluntary associations in achieving this goal. The set of recommendations for four thematic areas (public consultations, funding, professionalization, and well-being) is endorsed by more than 120 CSO representatives that took part in the *Grassroots Europe for Local Wellbeing Conference* (Budapest, October 7–9, 2011).

In current and future programming, it is imperative that the relevant stakeholders draw lessons from the recent experience of the Europe 2020 consultation strategy, and sustain the equitable engagement of grassroots organizations in long-term processes of structural transformation. A number of critical issues and hindrances lie at different decision-making levels, and mitigating them requires a unified approach to both personal and collective well-being. The EU has taken important steps towards prioritizing social inclusion and education in a variety of arenas, yet the value of grassroots initiatives is not fully actualized.

PART I.

Reconceptualizing the Role of Grassroots Organizations

Chapter 1
Well-being Reconsidered: A Capability Approach to Grassroots Organizations' Contributions

By Roxana Radu

This chapter analyzes the under-explored relationship between human well-being and the enhancement of collective capabilities, by looking at the role of grassroots organizations. Drawing on the capability approach originally developed by Amartya Sen, we propose a new understanding of the conditions of capability expansion by voluntary organizations, in contexts of policy prioritizing and implementation. Moreover, we argue for the inclusion of grassroots organizations contributions into subjective well-being measurements. The multi-level structural implications are considered by exploring the interaction between local realities and European Union policy dimensions, with the work of voluntary organizations.

1. The Capability Approach in Policy Practice

The relationship between political institutions and well-being has been extensively analyzed. Different perspectives have been taken into account in improving the quality of life, but most efforts in this direction have concentrated primarily on macro-social units, rather than on local communities. The earliest such attempt can be traced back to Aristotle,[1] who understood it as *well-living*. From that standpoint, individuals were perceived as complex, rational, social, and partially moral actors, who lived in groups for finite lives with unavoidable successes and failures.[2] This chapter explores how a focus on the individual and the surrounding community can be brought back into policy discussions, by reflecting on the role of grassroots organizations as an intermediary arena for complementing efforts towards the enhancement of well-being.

This effort to alleviate social inequalities and social exclusion by fostering grassroots organizations' empowerment in key institutional, policy, and political interactions, is rooted

1 Crisp (2000).

2 Segal (1991).

in a particular understanding of the capability approach, one of the foundational building blocks of Amartya Sen's "development as freedom" paradigm.[3] In his work, Amartya Sen, winner of the 1998 Nobel Prize for Economic Science, proposes a human-centered conceptualization of well-being, encompassing a broader understanding of social change. He developed a normative framework that allows for evaluating policies and policy-oriented activities, based on the relationship between "functionings" and "capabilities," where "the former [is] about the things a person does and the latter about the things a person is substantively free to do."[4] More specifically, the capability concept asks whether people are effectively able to do and be what they want. On the other hand, what a person actually experiences represents his/her "functionings." In light of this distinction, the aim of social policies should be to effectively transform functionings into capabilities, in order to give each person an equal chance to become what he or she intends. Capabilities should be understood as a feasible alternative of combined functionings, which are thus not only instrumentally, but also inherently valuable.[5]

This approach, emphasizing substantive opportunities among which individuals can choose the options they prefer, is centrally connected to Sen's idea of freedom, understood as "the ability of an individual to achieve valuable doings and beings she has reason to value."[6] He sees this as independent from both material goods and physical abilities. Within this framework, the latter can be left out, since physical differentials in what people are endowed with remain non-additive to substantive freedom dimensions. While not denying the importance of income, commodities, or entitlements for the range of capabilities available to one person, Sen emphasizes that "a person's well-being is not really a matter of how rich he or she is […] Commodity command is a means to the end of well-being, but can scarcely be an end itself."[7] Thus, the materials factors that enable opportunities remain "derivative on capabilities."[8] This constitutes the basis of his critique against income-based measurements of living standards.

By addressing poverty, inequality, and well-being, the capability approach has had a great influence on policy processes around the world, starting with reformation of the work of the United Nations Development Program (UNDP) back in the 1990s. Notably, the capability approach has provided the underlying conceptual framework for the creation

3 Sen (1999).

4 Sen (1999), p. 75.

5 Sen (1999), p. 10.

6 Chopra and Duraiappah (2008), p. 363.

7 Sen (1985), p. 28.

8 *Idem* (1984), p. 497.

of the UN's Human Development Index (HDI), and in particular for including social dimensions such as health and education, along with the economic statistics.[9] In his 2011 study, Orton refers specifically to the influence of Sen's capability approach on employment policy in the United Kingdom.[10] In spite of the serious criticism that the capability approach has received over time,[11] Saito assessed it as being "the most comprehensive framework for conceptualizing well-being."[12] Robeyns stressed its value in the following terms:

> *the capability approach asks whether people have access to a high-quality educational system, to real political participation, to community activities that support them to cope with struggles in daily life and that foster real friendships. For some of these capabilities, the main input will be financial resources and economic production, but for others it can also be political practices and institutions, such as the effective guaranteeing and protection of freedom of thought, political participation, social or cultural practices, social structures, social institutions, public goods, social norms, traditions and habits. The capability approach thus covers all dimensions of human well-being.* [13]

For Sen, it is individuals and their quality of life that should constitute the focus of policy (and also political) processes. This derives from an understanding that the expansion of substantive freedoms underpins all broader social change processes.[14] *De facto*, by identifying the social constraints involved in achieving capabilities, this analytical framework defines the informational basis needed in order to make judgements about policies and living standards. In fact, Sen deliberately avoids specifying which valuable freedoms are worth pursuing, as he believes each society should reach agreement on this through public deliberations. Consequently, Robeyns remarks that "for political and social purposes, it is crucially important to know the social determinants of the relevant capabilities, as only those determinants (including social structures and institutions) can

9 The HDI ranking has been harshly criticized on many grounds, notably for its selection of measurable components and its inaccurate reflection of "capabilities" as theorized by Sen (see Kelley, 1991; Srinivasan, 1994).

10 Orton (2011).

11 A strong critique of the capability approach comes from Dean (2009), who argues that a discourse of rights, rather than of capabilities, is more appropriate and more effective for engaging with concrete human needs, by bringing to the fore three key objections: the constitutive nature of human interdependency; the problematic nature of the public realm; and the exploitative nature of capitalism.

12 Saito (2003), p. 19.

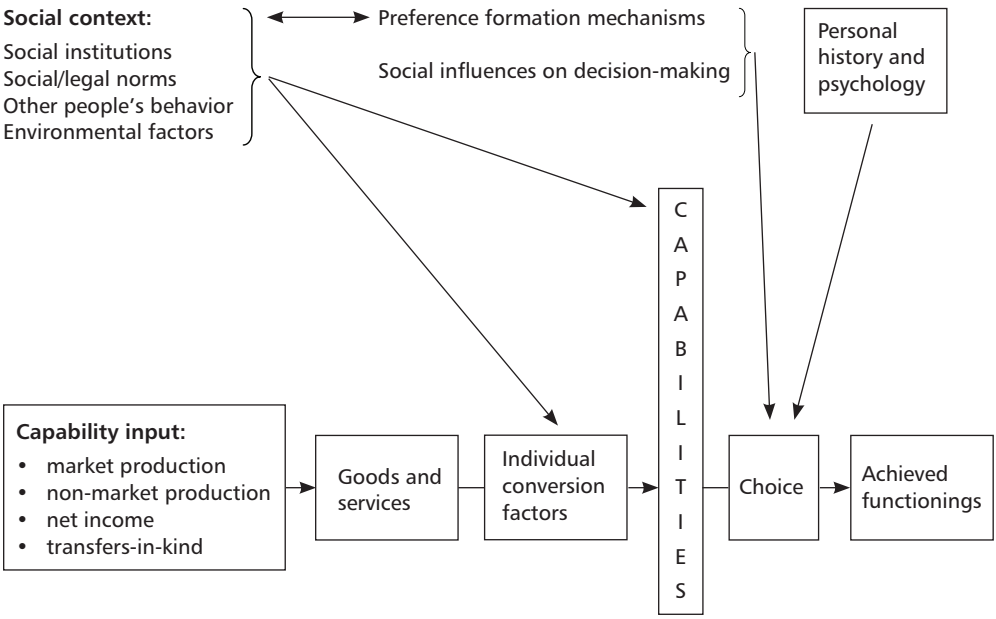
13 Robeyns (2007), p. 96.

14 Sen (1999), p. 144.

be changed."[15] Figure 1 below takes into account the broader context that affects both the formation and the potential exercise of capabilities, and maps the series of interactions required for achieved functionings.

Figure 1

Non-dynamic representation of a person's capabilities and the social context[16]



In their 2010 study, Deneulin and McGregor[17] identified four ways in which the capability approach has redefined social sciences' contribution to policy thinking:

1) defining human beings as ends, rather than means; this means that well-being is "not about what people have, but about what they are able to do, and to be with what they have: such as living long and healthy lives, being educated, having a voice to participate in decisions which affect their lives;"[18]

2) stressing the centrality of human freedom and agency (the ability to decide on matters that are crucial to one's life);

15 Robeyns (2005), p. 110.

16 Robeyns (2005), p. 98.

17 Deneulin and McGregor (2010).

18 *Ibid*., p. 5.

3) bringing ethics back into policy-making;

4) allowing for flexibility, and accommodating a wider range of interpretations and uses,[19] by expanding the range of potential applications and providing a policy analysis framework that is not prescriptive of a particular type of action, or institutional arrangement.

In practice, the positive impact of any type of transformation depends, to a large extent, on the work done at the local level. The actors involved in voicing local needs, tackling local problems, and engaging grassroots groups, share a large part of the responsibility for the adequate adjustment of policies and their implementation with advancing local interests. Delving into this, both top-down and bottom-up approaches provide some insight. We will look particularly at bottom-up engagement in creating social opportunities and transforming functionings into capabilities. The focus will be on the key role played by grassroots organizations, which are defined as "self-organized groups of individuals pursuing common interests through volunteer-based, non-profit organizations, that usually have a low degree of formality but a broader purpose than issue-based self-help groups, community-based organizations or neighborhood associations."[20]

Starting from a slightly different definition of grassroots associations,[21] the American sociologist David Smith has contended that, based on integration in higher structures, a distinction can be drawn between monomorph and polymorph grassroots associations. On the one hand, there are basic organizations with membership in a national association of other similar units; these are polymorph because they can take many forms. On the other hand, monomorph associations are not linked to any higher organizational structure (they only have one form). According to Smisman,[22] the European Commission sees European civil society as being primarily composed of European confederations of associations, with which it can interact directly at the EU level. The prevailing conceptualization of the role of CSOs in the European Union is either as "functional participation" (voluntary organizations contribute to better policy-making by providing expertise and ensuring the compliance and implementation of EU policies) or as "functional representation" (voluntary organizations represent a plurality of interests within the EU). Dialogue with civil society is also, to some extent, expected to ensure

19 This is a characteristic that stems from it being an approach, rather than a theory.

20 https://webgate.ec.europa.eu/fpfis/mwikis/aidco/index.php/Grassroots_organization

21 "[…] locally based and basically autonomous, volunteer-run, non-profit groups that have an official membership of volunteers" (Smith, 1997a).

22 Smismans (2003), p. 502.

the "decentralization" of EU politics and the "politicization" of European issues (i.e. to ensure that European issues are debated at the grassroots level).

In their empirical survey of conceptions of civil society among European experts and academics, Kohler-Koch and Quittkat[23] found two basic meanings of "civil society" within the EU. The first, the "governance approach" defines civil society in terms of representation, and places emphasis on providing a voice to voluntary organizations and delivery services. This definition of civil society is in line with the prevailing conception identified by Smismans above (i.e. functional participation and representation). The second, the "social-sphere approach" to civil society places emphasis on social interaction, public discourse, and the role of civic activities in promoting public well-being.[24] As grassroots organizations operate within broader contexts (both national and supra-national levels), their own capabilities can affect the social determinants of well-being for the communities they activate in. This will be the focus of the next section, which explores a dynamic framework for applying the capability approach to voluntary organizations.

2. Collective Capabilities and the Key Role of Grassroots Organizations

Two major contributions to the capability approach have investigated the role of groups and collectivities in enhancing individual capabilities, which provides the foundation of our argument here. The first one draws on the meaning of well-being as "living well together" (in a community), while the second one explores collective capabilities as new social opportunities that complement what the individual is able to do in order to lead a flourishing life. Building on this, we argue that grassroots organizations, placed at the heart of local communities and engaged in needs-driven activities, have the power to activate group capabilities and develop collective social-welfare judgements. By providing the intermediary arena for both priority setting and local implementation of social policies, they shape attitudes connected to social and individual responsibilities towards well-being.

The first stream of literature we scrutinize here links the capability approach to the idea of "living well together," challenging the view of "living well" in isolation from other structural factors influencing one's life. The main contribution in this direction comes

23 Kohler-Koch and Quittkat (2009), p. 16.

24 *Ibid*., p. 17.

from Deneulin and McGregor,[25] who investigated the possibility of expanding the capability framework by giving greater consideration to the socially constructed meaning of well-being, moving away from individual projects of "living well" and pointing to the way in which relationships with the local community define a personal understanding of what quality of life means. Accordingly, the individual cannot be separated from his/her surroundings, and individual functionings and capabilities cannot be assessed at the abstract level, as the meanings and values we assign to particular goals are framed by interactions with other goals. With that comes a distinction between a broad and a narrow interpretation of capabilities; accordingly, the latter aims at identifying functionings and capabilities in daily life, whereas the former is more complex, and looks more deeply at the process of social choice as the basis for making value judgements, and prioritizing between different principles of capability enhancement. Critics have pointed out that "prospective analyses and recommendations that do not carefully scrutinize the role of collective actions, institutions, and other social structures in creating individual capabilities will be deeply flawed."[26]

For Deneulin,[27] there are three important reasons why collective capabilities should be integrated in the evaluative framework of policies. First, individual freedoms are collectively guaranteed by groups, thus pointing to the centrality of organized forms of living together and to the importance of democratic deliberation. Since both capabilities and the value judgements associated with them remain socially conditioned, it is "the existence of certain structures of living together which explains the successes and failures of countries to promote the capabilities that people have reason to choose and value,"[28] Second, the socio-historical context cannot be separated from the lives that individuals lead, and from the groups to which people belong. Sen uses the notion of "socially-dependent individual capabilities"[29] to refer to this, but he does not acknowledge group capabilities as such.[30] Third, the idea of freedom to choose the most valuable among different opportunities only makes sense when living in a community that shapes an identity and

25 Deneulin and McGregor (2010).

26 Alkire (2008), p. 34.

27 Deneulin (2008).

28 Deneulin (2009), p. 113.

29 Sen (2002), p. 85.

30 Sen's reply to group capabilities was: "Ultimately, it is individual evaluation on which we would have to draw, while recognizing the profound interdependence of the valuation of individuals who interact with each other […] In valuing a person's ability to take part in the life of society, there is an implicit valuation of the life of the society itself, and that is an important enough aspect of the capability perspective" (2009, p. 26).

provides guidelines for shaping a particular mindset, based on reference points that are common to all individuals belonging to that group. In view of this, the structures of living together become constitutive to both capabilities and value judgements, and this represents "a strong rationale to include them explicitly in the informational basis of quality of life and development."[31]

The second dimension analyzed in the capability approach literature refines collective capabilities in terms of the new social opportunities that they bring about. Taking into account the social embeddedness of individuals, this view stresses the importance of engaging in collective action. Max Weber refers to "mutually responsible members,"[32] apart from pursuing their own goals and interests, people who take part in the life of the community gain and enjoy additional capabilities, which come only from interaction with other community members, from the pursuit of aims to the benefit of a wider group. According to Ibrahim, "collective capabilities affect individual choices in two ways: first, they affect the individual's perception of the good (i.e. what constitutes a 'valuable functioning' for him/her) and, secondly, they determine his/her ability to achieve these functionings."[33]

Research studies indicate that those who are most satisfied with their lives are those who nurture a sense of meaning and engagement.[34] These features are developed through character education and socio-emotional learning (reflecting ethical views), the importance of "doing good," and having caring relationships[35] (which in turn empower citizens to become socially active and make informed decisions over opportunities in their lives). However, in what concerns group capabilities, it is difficult to identify the extent to which the influence of the group is uniformly distributed among all of its members. Usually, it does not affect everybody the same way and it may have different degrees of contributing to the wellbeing of somebody; at the same time, it may help a subset of the group and harm another.

Against this critique, we refer here to "collective capabilities" as capabilities developed and exercised collectively. For this, grassroots organizations represent the genuine expres-

31 Deneulin (2008), p. 122.

32 "[…] within a social relationship […] certain kinds of action of each participant may be imputed to *all* others, in which case we speak of 'mutually responsible members' […] in both cases the members will share the resulting advantages as well as the disadvantages" (Weber, 1978, pp. 46–47, original emphasis).

33 Ibrahim (2006), p. 403.

34 Cohen (2006), p. 203.

35 *Ibid*., p. 205.

sion of acting for the public good in a disinterested way, while relying heavily on volunteers, and helping them develop additional functionings. In fact, grassroots organizations constitute the arena in which individual and collective capabilities become mutually reinforcing, and can be enhanced at the same time. It is through the work of CSOs that different local demands for fostering individual capabilities are articulated and taken into consideration at the agenda-setting level. Throughout implementation, certain inequalities are redressed, while the basis for potential capabilities is expanded.

Grassroots' Contributions to Capability Enhancement

Small grassroots associations are praised for any significant positive impact which includes the socialization, activation, and democratization functions.[36] Grassroots organizations often deliver services and play an important community-building role.[37] In countries such as Austria or Czech Republic, public services that are completely funded in urban areas are often organized on a voluntary basis in rural areas (e.g. voluntary fire brigades, education, etc.).[38] According to David Smith,[39] the impact of grassroots associations can be classified by using the following five categories.

a) *Social support and assistance, social services*: encompassing mutual support and informal assistance between members of the association; some associations also provide short-term services (for example, during a natural disaster) or long-term services to non-members.

b) *Stimulation, self expression, learning:* CSOs act for their members (as well as for society as a whole) as a source of stimuli, information, and experience; they are a form of self-expression and personal growth. This is especially vital for associations of marginalized citizens; some associations try to stimulate, inform, or educate both non-members and the general public. Volunteers can learn many things in grassroots organizations, from specific knowledge and techniques, to general knowledge about society (existent laws, techniques of advocacy, the know-how for organizing a strike, etc.).

c) *Happiness and health*: social support of the association also brings its members healthful effects from a feeling of happiness and satisfaction.

36 Wollebaek (2009).

37 Toepler (2003).

38 Study on Volunteering (2010d).

39 Smith (1997a).

d) *Socio-political activation and influence*: grassroots associations involve their members in different kinds of activity, including those that would enable skills that can be used for political purposes, such as the organization of meetings, writing petitions, etc. This, according to Smith, cumulatively translates into higher activism and participative democracy in the area. Here, it is important to pinpoint the skills that are required to create participatory citizens who actively engage in democracy and in their community. Such skills include the skills of discernment, analysis, reflection, self-knowledge, and cultural and contextual awareness.[40]

d) *Economic impact*: some basic organizations provide economic help to their members (trade unions, agriculture unions, professional associations, etc.), and some may provide important experience for the unemployed (which may later lead to a paid job) by accumulating experience, expertise, establishing contacts, etc.

Based on the scrutiny of existent literature and the analysis of the contribution of grassroots associations in local communities, this section has emphasized the need to regard the activities of CSOs as targeted towards enhancing both individual and collective capabilities. A growing trend in this direction has been the move towards the professionalization of non-profit organizations, which we discuss next.

The Professionalization of Grassroots Organizations

The professionalization process can be connected with the development of an organization over time. Smith[41] observed that many grassroots associations often run for a relatively short time, and if they operate for longer, they tend to become more and more bureaucratic, and move away from voluntary work (the majority of their employees receiving a salary). He refers to this as a process of *de-radicalization*, which occurs when public administration bodies or foundations provide a grassroots association with external funding for their services, thus co-opting and "disarming" them. However, professionalization does not only imply that the work is performed by employed staff. In fact, it presupposes a more extensive division of labor, greater specialization and formalization of activities, professional standards and values associated with it, that are usually brought to the organization by professional employees.

40 Eliasoph (2009), p. 840.

41 Smith (1997a).

The process of professionalization is, however, visible in the entire non-profit sector (i.e. grassroots associations disappear, and new, professional organizations are established). Lester Salomon[42] investigated the professionalization of the non-profit sector in the United States from the 1980s, and identified a series of interwoven processes:

1) the arrival of fundraising as a specialized job;
2) the creation of many intermediary organizations providing a background for other non-profit voluntary organizations;
3) the establishment of a research and education apparatus focusing specifically on the non-profit sector;
4) the press focus on the non-profit sector.

According to Smith's definition of grassroots organizations,[43] the process of professionalization represents a boundary situation, because the core of grassroots activities should be for the mutual benefit of their members (although Smith has taken into account the capacity of some associations to be of general benefit). When grassroots associations start to provide services for the public benefit (such as education), the issue of the modern and efficient management of volunteers becomes important, too. Different studies[44] focus on the capacities and conditions for the success of grassroots organizations. Milligan and Fyfe[45] point out that good provision of services requires the professionalization of a voluntary organization, which can, in turn, generate a loss of volunteers, and can have a negative impact on the empowerment of an organization at the local level.

What becomes crucial in the functioning of professional CSOs is their organization capacity, defined as the ability to gain and use the capital (financial, human and structural) necessary to fulfill its mission.[46] In line with Hall *et al.* (2003), we expand below on how these capacities influence the work of grassroots organizations.

Financial capacity: the ability to accumulate and use financial capital (i.e. money or values transformable to money, such as properties). Grassroots associations have limited financial capital, and few own the premises they operate from (they usually rent from other community members, such as churches, schools, universities, or municipalities).

42 Salomon (2005), pp. 93–95.

43 Smith (2000).

44 See Bettencourt, Dillmann and Wollman (1996).

45 Milligan and Fyfe (2005).

46 Hall *et al.* (2003).

However, the accumulation of capital is not their goal. They are able to work with limited funds and can therefore be more autonomous. However, finding resources is the greatest challenge that larger non-profit organizations have to face. The accumulation of capital requires volunteers' time and energy, but grassroots organizations are mostly unable to do this.

Human capacity: the ability to obtain human capital (i.e. paid employees and volunteers), as well as to develop the knowledge, skills, experience, positive attitudes, and motivations of these people. Mostly, the members of grassroots associations do not have professional management skills, and daily operations might be carried out in a less formal way. Smith[47] sees this as an advantage: "As with financial capital, grassroots associations may see their informal approach to administration as a desirable quality, and in some cases resisting more bureaucratic models in favor of a more casual and leisurely approach of 'muddling through and learning through trial and error'."

Structural capacity: the ability of organizations to make use of their social relationships and networks on the one hand, and their internal infrastructure and regulations and procedures, on the other. The latter may not always be available to grassroots associations, but the former represents their strength. Voluntary associations usually rely on social capital—networks and contacts—that they can count on for obtaining information, know-how, and expertise in an informal way.

Toepler[48] also contended that grassroots organizations are crucially important in terms of social capital. In his book *Bowling Alone: The Collapse and Revival of American Community*, Putnam[49] differentiates between two types of social capital: bonding and bridging social capital. The horizontal relationships between the members of an association, between similar people, represent instances of bonding social capital; this is based on shared values, trust among people of a kind, and comfortable communication and cooperation. It implies the creation of a shared identity, cohesion, support, and solidarity. This type of capital is typical for *grassroots* membership associations, according to Smith.[50]

Bridging social capital, on the other hand, refers to the relationships between people from different groups, the so-called "weak ties"[51] between individuals who belong to dif-

47 Smith (2000).

48 Toepler (2003), p. 238.

49 Putnam (2000).

50 Smith (2000).

51 Granovetter (1973).

ferent social spheres. In establishing these "weak ties," citizens come across such issues as differences and mistrust. For this reason, it is not easy to create bridging social capital. In fact, it involves difficult and often uncomfortable communication and cooperation.[52] While it is natural for grassroots associations to create bonding social capital, according to some authors, the most beneficial at the societal level (and at the same time, the least available and difficult to create and sustain) would be the bridging type of social capital.[53] Bonding social capital may sometimes be associated with closed groups and negative practices (corruption, etc.), with highly detrimental effects.[54] CSOs contribute to bridging social capital, as long as they operate on the basis of openness and inclusiveness (especially in helping to integrate disadvantaged people).

Evers and Zimmer[55] observe that there is a growing number of grassroots organizations working towards strengthening local cohesion in the EU countries. However, the landscape of civil society organizations becomes polarized between local grassroots activities on the one hand, and business-like civil society organizations (primarily, service providers) with lobbying power, on the other. While the latter type of organization routinely cooperates with commercial and public institutions, it is detached from its membership base and no longer facilitates societal integration. This tendency has been specifically observed in Poland, as the "oligarchization" of an organized civil society: large powerful organizations, criticized for their detachment from grassroots and for special relations to politicians, existing next to smaller and/or less financially prosperous CSOs.[56]

In striking a balance between professionalization, and the way it affects the mission and the goals of the organization in which it is observed, an appropriate indicator could be the extent to which it places CSOs on an equal footing with other actors concerned with well-being. Primarily, this refers to an equitable standing in deliberation and in policy discussions. While this is not the only evaluative feature, it shapes a particular understanding of the way in which involvement in top-down processes depends on the expertise within CSOs, and its acknowledgement as such by other public and private entities.

52 Eliasoph (2009).

53 Musick and Wilson (2008).

54 Beugelsdijk and Smulders (2003).

55 Evers and Zimmer (2010).

56 *Study on Volunteering* (2010c), p. 29.

3. Measuring Well-being: Where Do We Place Grassroots Organizations?

In his article published in 1997, Smith pointed out that basic associations are often beyond the focus of quantitative studies, which exclude purely voluntary organizations with no employees, when selecting their sample. He refers to them metaphorically as the "dark matter"[57] of the non-profit universe, as they are not visible and nobody pays attention to them. According to his estimations, in the United States, grassroots organizations prevail over the visible—investigated and described—part of the non-profit sector or civil society at a ratio of 10:1.[58] This conclusion is revisited in more detail or adopted by other authors, such as Toepler[59] in his study of grassroots volunteering in the field of culture and arts. Partly due to the lack of inclusion in quantitative research, accounting for grassroots associations' contribution to well-being has lacked systematic inquiry so far.

While most studies conducted on well-being have been related to economic or political dimensions, approaches that involve new dimensions, such as the social or ecological,[60] have recently become more popular. Beside these, a plethora of related classifications emerged (such as well-thinking, life satisfaction, prosperity, development, empowerment, happiness, etc.). "Welfare" has been the other term very often associated with well-being. It is commonly believed that the level of well-being is higher in welfare states, and its distribution is more equitable. Veenhoven[61] tested this theory in a comparative study of 40 nations between 1980 and 1990. The size of state welfare was measured by social security expenditure, while the well-being of citizens was approximated by the degree to which they led healthy and happy lives. Contrary to expectations, there appeared to be no link between the size of the welfare state and the level of well-being within it; increases or reductions in social security expenditure have not resulted in fluctuations in the level of health and happiness either.[62]

57 Smith (1997b).

58 *Ibid*., p. 128.

59 Toepler (2003).

60 According to the Millennium Ecosystem Assessment (2003), "people are integral parts of ecosystems, and a dynamic interaction exists between them and other parts of ecosystems, with changing human conditions directly and indirectly driving changes in ecosystems and, thereby causing changes in human well-being" (p. 5).

61 Veenhoven (2000).

62 *Ibid*., p. 95.

Many scholars[63] have challenged the GDP-based measurements[64] of social progress. Kahneman *et al.*[65] have pointed out that the material measuring of well-being has three inherent deficiencies: first, the inability to measure non-tradebles such as love, mental challenge or stress; second, the assumption of individual utility maximization (on which the economic methods are based), is sometimes contradictory to actual evidence; third, that economic indicators can only indirectly measure subjective well-being (e.g. consumption). For instance, if a person consumes a certain amount, which may be above the average, this would not necessarily mean that this person is better off or happier, because he or she may subjectively place more value on something else, which is either not captured or is weighed less in the overall measurement.

Since the use of economic indicators could not capture the multi-dimensionality of well-being, the inclusion of subjective dimensions in the design of well-being indices was required. Veenhoven[66] briefly summarised the reasons for which policy-makers should prefer subjective indicators in measuring increased quality of life.

1) Social policy is never limited to merely material matters; it is also aimed at matters of mentality. These substantially subjective goals require subjective indicators.

2) Progress in material goals cannot always be measured objectively. Subjective measurement often is better.

3) Inclusive measurement is problematic with objective substance. Current sum scores make little sense. Using subjective satisfaction indicators better captures comprehensive life quality.

4) Objective indicators do little to inform policy-makers about public preferences. Since the political process does not always reflect public preferences well, policy-makers need additional information from opinion polls.

5) Policy-makers have to distinguish between "wants" and "needs." Needs are not observable as such, but their gratification materializes in the length and happiness of peoples' lives. This final output criterion requires the assessment of a subjective appreciation of life as a whole.

Social, human and environmental components of well-being have already been incorporated in such leading quality of life indices as the EU Subjective Well-being index,

63 Boarini *et al*. (2006).

64 GDP (gross domestic product).

65 Kahneman *et al*. (1999), p. XI.

66 Veenhoven (2002).

National Accounts of Well-being index, the United Nations' Human Development Index, OECD Social Indicators, the Australian Personal Well-being Index, and the Canadian Index of Well-being. The latest developments in designing robust well-being indicators split the social dimension into social and human (or personal), as individual levels of subjective and objective well-being do not always correspond to the group or community level. Thus, various differences were observed in the assessment of well-being and quality of life. For example "countries with high levels of personal well-being do not necessarily have high levels of social well-being, and vice versa."[67] The Australian Capital Territory (ACT) government sees well-being as a measurement of human and social capital, composed of four major dimensions: economic, social, human, and environmental.[68]

In line with the capability approach, it is the opportunity to live a good life, rather than the accumulation of resources, that matters most for well-being, and such opportunities result from the capabilities that people have. This approach thus focuses more on people and less on goods. In this framework, resources do not have an intrinsic value; instead, their value derives from the opportunity that they give to people.[69] However, until now, most efforts directed toward capturing the impact of various components on quality of life have not included the contribution of CSOs in shaping social alternatives. Through their daily activities, grassroots organizations work primarily to improve aspects related to social and personal well-being. While we acknowledge the difficulties in translating the real impact of grassroots work on subjective measurements, it is important to emphasize their role in enhancing collective capabilities that are valuable to an increase in individual quality of life.

Social Cohesion

Social cohesion, as one of the key features in subjective measurements of well-being, can be examined in reference to social exclusion, civic participation, and involvement in a community. Current methodologies used in indicator design comprise the above dimensions (given their major impact on the well-being and happiness of the individual and of the community at large—see Table 1), but neglect their direct and indirect relationships to CSOs. The uneven patterns of well-being distribution can be addressed most suitably by grassroots organizations, as exclusion is not spread evenly among demographic

67 NEF (2009).

68 Helyar (2007), p. 4.

69 Anand, Hunter, and Smith (2005).

groups and spaces, and targeted measures need to be implemented in order to combat any detrimental effects.

Table 1

Social cohesion elements included in systematic well-being measurements

	The UK "Opportunity for All" Initiative	National accounts of well-being	Second European Quality of Life Survey	Personal Wellbeing Indicator (Australia)	OECD
Social cohesion components	• Participation in employment • Access to resources, rights, goods and services • Access to services by the most vulnerable	• Supportive relationships • Trust and belonging	• Perceived social exclusion • Reported social contact	• Achieving in life • Relationships • Safety • Community connectedness • Future security • Spirituality/ religion	• Trust • Civic participation • Voluntary activities

In the European Union integration process, social and territorial cohesion are among the most important pillars. These were first introduced as a EU priority with the Maastricht Treaty, and were matched by funding through the Cohesion Fund, the European Regional Development Fund, and the European Structural Fund. Back in the 1990s, the European integration process focused extensively on economic cohesion in terms of GDP per capita, within the territorial units of the Union. Thus, a significant amount of funds were allocated to reaching economic convergence; yet, with the understanding that this was insufficient for the overall cohesion aim, a social dimension was added to complement that. First, the Lisbon Agenda acknowledged that "growth and jobs should no longer be the final objectives, but rather tools for achieving more sustainable well-being."[70] Today, the importance of social cohesion is underlined in the EU sustainable development strategies. For example, Europe 2020 is an essential component of the European Union's measures towards subjective well-being. Namely, the Europe 2020 strategy sets the inclusive growth agenda, understood as "fostering a high-employment economy delivering social and territorial cohesion."[71] Another "inclusive growth" definition, formulated by Ahluwalia (2007), unveils the subjective well-being perspective:

70 Ahtonen *et al*. (2010).

71 COM (2010), p. 3.

"achieving a growth process in which people in different walks in life […] feel that they too benefit significantly from the process." The EU 2020 strategy also pinpoints the leading role of CSOs and grassroots groups as actively cooperating to address social exclusion issues by stimulating innovative means of civic participation.

Social exclusion has many faces, and comprises very different aspects. The well-being indicators strive to capture the magnitude of welfare, as well as to design relevant policies. However, difficulties stem from the fact that exclusion is present in all sectors of our heterogeneous society. A growing number of well-being indices acknowledge the central role of involvement in *meaningful* community initiatives in contributing to the improvement of the subjective perception of one's quality of life. Increased participation in labor, the educational, political, social, and cultural life of a society maximizes the personal well-being of the individual by strengthening his/her sense of belonging and personal achievements. As Ritzen argues, social cohesion relies on the values of solidarity and mutual support, which guarantee equal protection to all individuals in a society.[72] This interpretation of cohesion emphasizes the important role of building societal values through joint community initiatives in both subjective personal well-being, and objective measurements of quality of life.

Thus, designing policies for the reduction of the "discrimination for those experiencing poor well-being" (LGID 2010) requires the sustainable engagement of citizens, and new means of participation in social life. The latter have been the ambit of CSOs and voluntary groups working for promoting bottom-up agenda setting. As such, grassroots associations and the well-being generated by them, have escaped categorization and measurement. The above-mentioned indicators included in the current indices on well-being do not take into account the contribution of CSOs to enhancing the quality of life. Inspiring local citizens to take part in voluntary activities targeted at improving local living and social conditions is one of the comparative advantages of grassroots associations operating in the various regions. The Europe 2020 Agenda[73] encourages sustainable development through commitment and work at the grassroots level. Building such commitment calls for active cooperation from all social partners, including civil society organizations. Among its specific goals, it lists the increased labor-market participation of women, the elderly, and migrants.

72 Ritzen (2001).

73 COM (2010).

Education

One particular dimension of well-being that plays a vital role within a community is education. Education encompasses many aspects, methods, and outcomes. In the most traditional sense, it is mostly academic. However, in exploring how education can increase well-being at the grassroots and community levels, we must also analyze education as a social tool for inclusion, civic participation, and achievement. This includes the impacts of classical education, as well as informal education on the social issues addressed above.

Firstly, we look at the impacts of formal and traditional education on well-being in adulthood (school level attained, degrees, diplomas) to determine how societies perceive the measurable and economic gains from increased formal schooling. Interestingly, according to Robert A. Witter *et al.*, educational achievements are only said to measure life satisfaction, and not happiness levels. This is because happiness refers to the current state of affairs, while life satisfaction refers to an individual's entire life assessment of their goals in comparison to their actual achievements.[74] In most cases, formal education does in fact contribute to the well-being of adults, once completed. However, as the demand for higher levels of formal education and for skilled work has increased over time, the levels of well-being, as a return to additional formal education, have not changed. Therefore, as individuals attain additional formal schooling, they do not perceive their subjective well-being as having increased from its initial levels, after completing formal schooling. This is due to a certain dissatisfaction within a work environment or with occupational status (meaning that the labor-market dynamics may make it difficult to obtain a desired position, despite levels of schooling).[75]

Secondly, we look at less traditional education, which includes both informal life learning (through reading, conversation, the use of media outlets, etc.) and social and emotional development within the formal schooling system. Recent studies have concluded that "research-based social, emotional, ethical, academic, and educational guidelines can predictably promote the skills, knowledge, and dispositions that provide the foundation for the capacity to love, work, and be an active community member."[76] Such guidelines offer proper behavioral responses to emotional issues, especially those that occur in a social setting. Such skills include "self and social awareness, identifying and labelling feelings of self and others, self-management (monitoring and regulating feelings), decision-making skills, and relationship skills."[77] In order to achieve such socio-emotional competence,

74 Witter (1984), p. 166.

75 Witter (1984), p. 166.

76 Cohen (2006), p. 202.

77 Hoffman (2009), p. 538.

certain educational guidelines must be followed. This is particularly important because social-emotional competence impacts the academic performance of children, especially if they belong to a minority group or a disadvantaged community.[78]

Having social and emotional skills, as well as support from teachers, aids in improving the academic performance and the school integration of low-income, disadvantaged, or ethnic-minority children.[79] Once such skills are honed, these students are also "more socially prominent and accepted by peers, and less likely to have school adjustment problems (e.g. aggression, attention problems, involvement in bullying)."[80] Thus, it becomes obvious that certain levels of academic achievement, integration, and inclusion are tied to social and emotional education. These skills tend to be especially important to those students most prone to exclusion; therefore, they must be taught in a culturally and personally relevant way.[81] To sum up, combining informally learned social and emotional skills, and formal school settings, contributes to instilling certain well-being features significant to both the individuals and the communities they live in.

This chapter has aimed to develop a new understanding of well-being, by shedding new light on the role of grassroots organizations in mutually reinforcing both individual and collective capabilities. Further elaborating on Sen's normative approach for evaluating policies, the centrality of grassroots organizations has been underlined in the relationship between social-welfare judgements and subjective well-being measurements. The socialization, activation, and democratization function of CSOs become more and more visible through the professionalization process. Consequently, in rethinking and re-evaluating well-being indicators, social cohesion and education measurements should not be disconnected from the work at the grassroots level. Capability enhancement through CSOs, and the more concrete analysis of particular policy developments, should not be regarded as separate endeavors. Rather, they inform and complement each other in practice. Taking this discussion further, the next chapter explores the ways in which grassroots organizations operate not only within the national public sphere, but also in the trans-national arena, through consultation processes at the European Union level.

78 Eliasoph (2008), p. 487.

79 *Ibid*., p. 488.

80 Farmer (2009), p. 315.

81 Hoffman (2009), p. 541.

Chapter 2
Participation, Capability and Voice in the EU Consultation Process

By Jelena Radišić, Roxana Radu, and Andreea Suciu

In line with the postulates of the capability approach, involving the public in the work of government through participation is the key. With its White Paper on European Governance, the European Commission has introduced a new approach to European policy, making public consultation an essential tool for improving governance and policy outputs, outcomes and impact, with the help of the civil sector. This chapter seeks to explore how public consultations have developed at the European level. Firstly, we look at the development of the Europe 2020 Strategy, and the targets assumed by the countries involved in the Grassroots for Local Wellbeing Initiative (Austria, Czech Republic, Hungary, Latvia, and Romania). Secondly, we examine how the consultation process has evolved at the EU level and what the current mechanisms for involving civil society organizations in EU policy-making are.

1. Capability and Voice

In the capability approach, the enhancement of social opportunities and (more generally) economic development, comes about primarily through public discussion and social participation. For Sen, "the use of democratic prerogatives, both political liberties and civil rights, is a crucial part of the exercise of economic policy-making itself, in addition to other roles it may have. In a freedom-oriented approach, the participatory freedoms cannot but be central to public policy analysis."[1] Although grassroots associations may, and often do engage in service delivery, the core of their activities is defined as participation. They remain primarily local (active in an area smaller than a region) and small.[2] For these reasons, special emphasis should be placed on, and appropriate measures should be implemented for, "ensuring the conditions of equal and effective capability for voice, the ability to express one's opinions and thoughts and to make them count in the course of public discussion."[3] In line with the capability approach, policies should be shaped in

1 Sen (1999), p. 110.

2 Wollebaek (2009) classifies a "small" organization as one with less than 30 members, while Ockenden and Hutin (2008) suggest less than 50 active members.

3 Bonvin and Farvaque (2005), p. 7.

such a way as to allow the local actors to have their say at all stages of the policy process,[4] since they are directly affected by them.

In the European Union, the broad motivations underpinning civic empowerment revolve around the social-actor perspective and the system approach.[5] In the first case, bottom-up involvement serves the need for deliberation within the public sphere,[6] as well as that of strengthening civic skills in participatory processes. The system approach uncovers two distinct rationales: mobilizing expert knowledge for framing better policies, and for making the process more inclusive, more transparent and more open; and securing or improving democratic legitimacy, of crucial importance in activating supportive attitudes. In this context, formal consultations represent one of the different access opportunities promoted by the European Union (for a full picture, see Table 1).

Table 1.
European access opportunities for voluntary organizations[7]

Practices	Actors	Examples
Informal practices	All institutions targeted, particularly the European Commission	Lobbying Informal invitations to participate in meetings
Structured consultation practices	European Commission	Secretariat General—consultation procedure DG Development—Elewijt process AIDCO —Palermo process DG Employment—civil dialogue DG Agriculture—inclusion in committees
	EU, through member states	DG Communication—Plan D (Democracy, Dialogue and Debate) DG Employment—open method of coordination in the field of social exclusion European Convention—dialogue on the future of Europe
	European Parliament	Hearings

4 *Ibid*., p. 17.

5 European Commission (2009).

6 Habermas (1996).

7 Sánchez-Salgado (2007), p. 259.

The EU has placed the diminishing of the "democratic deficit"[8] at the top of its agenda, by employing a strategy for better governance and by fostering citizen engagement by various means. Interaction with non-profit, voluntary organizations, and civil dialogue (a concept coined by Smisman in 1996) was to support and legitimize the work of EU institutions. Smismans (2003) argues that, above all, it was the Economic and Social Committee and the European Commission which made use of civil-society discourse. With the White Paper on European Governance developed in 2001, the European Commission introduced a new approach to European policy. This made public consultation an essential tool for improving governance and policy outputs, outcomes and impact, with the help of the civil sector.

Macintosh *et al*.[9] explored citizens' roles in setting the agenda for policy-making, but emphasized their move from consumers of policies and top-down decisions, to producers of information, and to policy initiators. Referring to patterns of participation, Dahlgren noticed that "isolated mini-public spheres that do not necessarily link up with larger forums of discussions" result in "like-minded exchange,"[10] which can be detrimental for civic involvement. When we extend our thoughts about social capital to participation, two basic views on the role of voluntary associations can be distinguished. Several authors claim that the key sign of civil society is the existence of a public space where it would be possible to have an open critical debate about values and politics,[11] but they warn against idealizing participation in small groups,[12] since that might be a sign of political decline and thus, a threat to democracy.[13] Yet, the majority of authors do not doubt that grassroots associations are democracy actors[14] and, following Putnam, they regard engagement with grassroots groups as vital to citizen activation and participation. The EU itself has made this a priority through a series of documents issued in regard with participation, as shown in Table 2.

8 While there is no agreement over the definition of "democratic deficit" (Follesdal and Hix, 2005, p. 4), for the purpose of this chapter, the following meaning will be employed: "a democratic deficit occurs when ostensibly democratic organizations or institutions in fact fall short of fulfilling what are believed to be the principles of democracy" (Levinson, 2007, p. 860).

9 Macintosh *et al.* (2002).

10 Dahlgren (2001), p. 76.

11 See Cohen (1998); Wagner (2008).

12 Skocpol and Fiorina (1999).

13 Eliasoph (2003).

14 For example, Kubicek (2005).

Table 2.
Policy documents regarding participation in the EU (2001–2008)[15]

Year	Policy documents	Policy objectives
2008	*Debate Europe* *Communicating Europe through audiovisual materials*	Direct communication with citizens on EU affairs, development of a European public sphere, two-way communication, eParticipation tools
2007	*Communication Europe in partnership*	Citizen empowerment and better communication (plan D tools)
2006	*European Communication policy* *Wider and Deeper Debate on Europe*	
2005	*Plan D for Democracy, Dialogue and Debate* *Action plan on Communicating Europe*	Better regulation, good governance; feedback and inclusion in policy-making
2002	*Minimum standards for consultations*	Transparency, legitimacy
2001	*European Governance* *Information and Communication policy*	

In the broader context of deliberative democracy in the EU,[16] participation needs to be evaluated by taking into account the extent to which it reflects the plurality of voices, the quality of communication, and the development of the European public realm.[17] Kohler-Koch and Quittkat (2009) show that EU-level associations included in civil dialogue by the Commission (DG Health and Consumer Protection) are considered mostly as civil society within the governance approach (but in general they do not fit with the social-sphere approach). This would mean that the EU approach to civil society consultations and dialogue does not include one large dimension of civil society: that which comprises active citizenship, local community participation, and contributions to a common well-being.

15 Adapted from Dalakiouridou *et al.* (2009), p. 20.

16 In line with the works of Fishkin (2009), this form of democracy is understood as a balance between political equality and deliberation, which allows citizens to "conscientiously raise and respond to competing arguments so as to arrive at considered judgments about the solutions to public problems" (p. 17).

17 Kohler-Koch and Finke (2007).

Within the Commission, consultations remain under the responsibility of the Directorates General (DG) and represent "an integral part of the Commission's impact assessments of major policy developments."[18] By 2008, the number of those partaking in Plan D projects in person reached 40,000, with hundreds of thousands more participating online.[19] Bohman suggests that such transformations require a new conceptualization of the nation state, and envisions the European Union as a new "public of publics,"[20] where national values and culture are maintained within the arrangements for supra-national political institutions.

Involving the public in the work of government through participation is now considered to be *affaires quotidiennes* when it comes to policy-making (e.g. agenda setting, policy formulation, adoption, implementation, evaluation), from the local to the European level, within different areas of governance. An important number of consultations in different fields have been launched in an effort to make European institutions more open, and policies more effective, by listening and taking into account views of the public.

2. The Europe 2020 Strategy

Through the adoption of the Europe 2020 Strategy, the EU has proposed an "inclusive growth" component. The attention to inclusion and education provides an additional opportunity to adopt a comprehensive approach to achieving well-being for children and for the most vulnerable groups. Education, social inclusion and employment represent critical areas of intervention, given the specific set of challenges present in these areas. The Europe 2020 Strategy was developed in a period of economic crisis, in which many EU Member States introduced austerity policies, consisting primarily of budget cuts to welfare benefits and social services, at a time when disadvantaged groups needed increased support.

The main objective of the Europe 2020, "A European strategy for smart, green and inclusive growth" is to bring together the economic, social and environmental agendas of the EU in a more structured and coherent way. The EC proposed the continuation of the promotion of EU growth based on knowledge, innovation, and high employment, as well as the delivery of social cohesion in a sustainable perspective, understood both in

18 Hüller (2010), p. 91.

19 Spinei (2008), p. 1.

20 Bohman (2004), p. 140.

competitive and environmental terms. The strategy has set five targets to be achieved by the European Union by 2020:

1) a 75 percent employment rate for the 20–64 age group;
2) a three percent investment rate in research and development;
3) the "20–20–20" climate and energy targets (the reduction of greenhouse gas emissions by at least 20 percent; a 20 percent share of final energy consumption coming from renewable energy sources; and a 20 percent reduction in energy use);
4) an improvement in education levels (a reduction of school drop-out rates, and an increased share of the population having completed tertiary or equivalent education);
5) the promotion of social inclusion and poverty reduction.

Table 3.

Europe 2020 national targets for the employment, early school leavers, research and development, tertiary education and the reduction of poverty in Austria, Czech Republic, Hungary, Latvia and Romania

	Employment rates (%)	Research and development (in % of GDP)	Early school leavers (%)	Tertiary education (%)	Reduction of population at risk of poverty or social exclusion
EU headline target	75%	3%	10%	40%	20,000,000
EU estimations	73.7–74%	2.65–2.72%	10.3–10.5%	37.5–38%	Results cannot be calculated because of differences in national methodologies
Austria	77–78%	3.76%	9.5%	38%	235,000
Czech Republic	75%	1% (public sector only)	5.5%	32%	380,000
Hungary	75%	1.8%	10%	30.3%	450,000
Latvia	73%	1.5%	13.4%	34-36%	121,000
Romania	70%	2%	11.3%	26.7%	580,000

The Europe 2020 process started by setting national targets for the five areas of interest. Table 3 presents the objectives of the National Reform Programs for the countries in which the Grassroots Europe for Local Wellbeing project was developed, together with the EU headline target and its estimations. For an overview of the measures proposed to achieve the targets assumed in education field in the five countries, see Annex.

Public Consultation Process for Europe 2020 Short Overview of Responses on Education and Social Inclusion

With respect to the Europe 2020 Strategy, the Commission opened the public consultation process on 24 November 2009. The consultation paper set out a vision of how EU 2020 would focus on entrenching recovery from the crisis, helping to prevent a similar one in the future. Three thematic objectives were covered: creating value through knowledge; empowering people in inclusive societies; and creating a competitive, connected and greener economy. The consultations were closed on January 15, 2010.

Around 1,400 viewpoints were received from a wide range of interested parties from all EU member states, including a number of non-EU stakeholders and countries.[21] The responses were overviewed in two papers, presenting main ideas submitted by different groups of stakeholder. Regarding education, many respondents have indicated that one priority should be the creation of an inclusive society. Focus was given to increasing the quality of primary education and reducing early school drop-outs. Some member states have stressed that the transnational mobility of both students and teachers should be promoted. Stakeholders from the education community have highlighted that the focus should not be solely on higher education, but also on developing early-childhood education programs. Such inclusive services were seen as essential for improving school readiness and for providing an equal starting point for children coming from vulnerable groups and entering primary schooling, thus reducing the probability of drop-out. A significant number of respondents have indicated that education, research and innovation should be prioritized. In their joint opinion, the Committees of the Danish Parliament have emphasized both educational and active labor market policy as "necessary in order for our societies to effectively address future challenges."

21 Reponses came from: all the member state governments; two national parliaments; eight EU and national political parties; 30 ministries or governmental agencies; 148 regional public authorities; 10 EU-level bodies; 45 trade union organizations from both the EU and national level; 232 EU and national business and professional federations; 51 individual companies; 190 CSOs; 54 think tanks; 32 representatives of the academic community; 10 consumer organizations; and also around 500 citizens (SEC, 2010, p. 246).

The member states have expressed their support for policies providing new and better skills and competencies, within the framework of life-long training, which would raise productivity and ensure competitiveness. The need for high-quality education and increased investment in research has been emphasized. Responses from Romania considered that "a stronger support to the research within European universities is needed […] in order to transform them into real and worldwide competitive growth and innovation centers."[22] There was also broad agreement on the necessity for better coordination and cooperation between member states in developing a true European Research Area, in which knowledge circulation would be the "fifth freedom." The issue of providing necessary "basic skills for all" through educational systems was also raised. In this context, several EU countries brought up the idea that education systems should also be focusing on developing creative, innovative, and entrepreneurial skills. In light of this, more active cooperation between education and training institutions and employers was stressed. Swedish representatives, for example, concluded that "special attention needs to be given to promoting the creativity and innovative capacities of the younger generations."

Looking at the specific recommendations given by the stakeholders in education and research, as well as the "think tank" community, achieving social inclusion and active citizenship through education was highlighted. In particular, the role of pre-primary education was seen as an important one in the process; developing a broad range of skills that would foster social inclusion and extending the boundaries of partnership between the private sector and universities were called upon. Think tanks also stressed the need for investment in innovation. They emphasized, in particular, that the quality of education is a public responsibility, and that education is not only a tool for economic growth, but has a vital role for social cohesion, equality, active citizenship, and cultural diversity. Finally, stakeholders from the research community mostly agreed with the three priorities defined by the Commission for the new strategy. The general view was that a flourishing European Research Area based on openness and excellence would be key to achieving the established priorities. Additionally, what was also highlighted was the need for more interactions between research, education, and innovation policies and programs, as well as for greater coherence between the various levels of governance, especially the EU and the national levels. Some of the stakeholders believed that European research policy should aim primarily at strengthening European centers of excellence, including access to them (e.g. the German "Initiative for Excellence" was mentioned as a model), while others have given more emphasis to the need to deploy research capabilities and raise standards of research quality across Europe. The majority of stakeholders underlined that the importance of research in the new strategy should also be reflected in both future EU and national budgets, as well as in the allocation of structural funds.

22 *Ibid*.

The European Centre for Development and Vocational Training (CEDEFOP) believes that the Europe 2020 Strategy should include concrete policies on innovation and creativity, with a specific focus on education and training (including vocational education and training). Partnerships between businesses and research bodies should be extended to education and training authorities along the lines of matching skills to the needs of the labor market. At the same time, the wider role of education beyond market integration should be acknowledged. For example, mastering IT skills represents one way to empower all citizens for the digital era, as well as for the labor market itself. The European Research Council (ERC) underlined the importance of generating knowledge leadership as a basis for innovation, competitiveness and prosperity, and for making the economy greener; it also directed attention towards world-class knowledge infrastructure, and towards retaining and repatriating top scientific talents from the EU and beyond. Beside member states and other formal organizations, approximately 500 responses were received from EU citizens.[23] Most citizens' comments focused on education, research, and more broadly the knowledge-society, all seen as crucial for the EU's future. Many asked for the removal of existing barriers and for the enhancement of academic staff mobility and international cooperation. Regarding the social field, respondents discussed the need for an integrated vision, and policies for promoting social cohesion. There were those who believed that the Strategy should pay more attention to social outcomes and to redressing inequalities; in their view, the social dimension should be strengthened through the transversal social clause included in the Lisbon Treaty.

When referring to social inclusion and poverty reduction, a significant number of member states highlighted that in ensuring a sustainable and fair growth (while fighting against social exclusion and poverty), the focus should be not on providing more jobs, but also on providing better jobs. In this context, representatives from Cyprus observed that having a job "isn't always a guarantee against the risk of poverty" and that this is "why efforts should be made to ensure access to good-quality employment, make work pay, and ensure strong safety nets for the needy." With the current economic crisis and rising unemployment, the majority of member states stressed the importance of keeping the focus of Europe 2020 on delivering growth, and more and better jobs. The Czech Republic representatives, for example, suggested that the focus of the Growth and Jobs Strategy should be fully preserved, since "the biggest drawbacks were of a procedural and ownership nature and not one of content."

23 Numerous responses were received from citizens based in Spain (where the Commission Representation in Madrid organized a dedicated campaign), and also from Poland, Germany, France, and the UK.

The Social Protection Committee (SPC) emphasized that Europe 2020 should be based on an integrated vision, combining progress in terms of growth, employment, reduction of poverty, and greater social cohesion. This interaction should be reinforced by effective policies aiming to: prevent and fight poverty, social exclusion, and all types of discrimination; implementing comprehensive active inclusion strategies; and implementing adequate and sustainable social protection. In line with this, a suggestion from social partners referred to the need to focus on the qualitative dimension of employment and the modernization of social-protection systems. Needless to say, trade unions (as participants in the consultation process) did not welcome the idea of strengthening social provisions in the new Lisbon Treaty; instead, they asked for a stronger social dimension of the EU, including: re-connecting market liberalization with social and environmental objectives; a better integration of economic, social and environmental aspects in the new strategy; a better enforcement of the EU's social acquis; and the development of a more ambitious and effective common EU social policy, and active labor market policy, to complement the EU internal market.

Socially vacationed stakeholders[24] stressed that the creation of "inclusive societies" should be a priority. They urged that more emphasis is needed on work quality, and on tackling in-work poverty, and precarious work. Employment is an important factor, but it is not the full answer to "inclusion" and "empowerment." For those who are not active in the labor market, access to quality services and adequate resources must be ensured. A number of respondents proposed taking legislative measures to set up a European framework on minimum incomes. The social economy is considered crucial, both in providing those services and in job creation. Areas that warrant increased attention are child poverty and the inclusion of migrants. The Charter of Fundamental Rights should be referenced to here. Respondents also considered that more emphasis should be given to ensuring access for low-skilled persons, and persons facing other difficulties, to enter or remain in employment. Many citizens express support for the social dimension of the Strategy, arguing for a more social Europe.

Resulting from the consultation outcomes presented above, a large number of stakeholders have been involved in the process of developing the EU 2020 Strategy. This has represented an opportunity for community voices to be heard when shaping the new European Strategy. At the same time, a proportion of the roundtable meetings organized

24 The responding stakeholders in this group include European networks of CSOs in the social sector and their counterparts at the national level. These include, in particular, the European Anti-Poverty Network and a number of its national branches, and a "Social Platform" representing 42 pan-European Social CSO networks. Also included are various national public or semi-public bodies.

by grassroots groups in each partner country within the Grassroots for Local Wellbeing Initiative concluded that representatives invited to these discussions were not informed about the Europe 2020 consultation process at the European or the national level when the National Reform Programs were being developed. To address this issue, the following section will focus on how the consultation process works at the EU level, and the conditions under which communication between European institutions and civil society organizations takes place.

3. The EU Consultation Process

In recent years, European institutions have developed a discourse on civil society and civil dialogue. Moreover, they have engaged the civil society to assist them in shaping policies, in order to gain support and input for their legislative proposals, as well as to enhance legitimacy and increase transparency and accountability. During the first four decades of European integration, civil society participation was informal and took the form of unregulated lobbying. In order to promote transparency in policy-making, and to enhance cooperation, the development of adequate participatory procedures has been raised to a higher level.

The need for civil society engagement has emerged in relation to two major objectives: to increase the effectiveness of policy-making; and to gain support and generate input legitimacy[25] through forms of participatory democracy, complementing representative democracy.[26] Even though in some policy fields (like environment and development) the European Commission developed collaborative relationships with civil society organizations, before 1995, there was no formal acknowledgement of the role of civil society organizations in the policy-making process at the EU level. In 1996, the Commission's Directorate General responsible for social policy started a discussion regarding the need for an increased interaction between European institutions and CSOs. Until that moment, the same Directorate General only consulted its social partners, such as labor associations, while consultation with other associations from the social policy arena lacked formal recognition and well-established structures.[27] Nonetheless, when working in domains which tackled youth, social exclusion, disability, or racism, the European Union has intervened in policy sectors in which CSOs and other stakeholders (different from the social partners) have had an important role to play.

25 Friedrich (2008), p. 140.

26 Armstrong (2002), p. 105.

27 Smismans (2003), p. 484.

Early Phases of the Public Consultation Process at the European Level

In March 1996, the Commission's Directorate General responsible for social policy, together with the European Parliament's Committee of Social and Employment Affairs, initiated the first European Social Policy Forum, where the concept of "civil dialogue" was introduced. The Forum aimed to reach civil sector representatives, in order to consult them in reference to the general direction of European Social Policy. The Directorate General for Social Policy, and the Directorate General for Social Economy, Small and Medium-sized Enterprises and Tourism drafted a 1997 document entitled "Promoting the role of voluntary organizations and foundations in Europe." As an important political objective, the following was constituted "the building over time of a strong civil dialogue at European level to take its place alongside the policy dialogue with the national authorities and the social dialogue with the social partners."[28] Starting in 1997, the consultation practice at the EU level became compulsory, with the Amsterdam Treaty requiring the Commission to consult widely and publish documents before putting forward new legislation initiatives. This led to a series of measures and instruments developed for this scope. Basic principles for public consultations were adopted in order to ensure all relevant interested parties were properly involved.

In 1999, the President of the Commission, Romano Prodi, pointed to the need for important changes in the EU decision-making process, as well as in the functioning of the EU institutions themselves. Promoting new forms of European governance became one of the four strategic priorities of the Prodi Commission at the beginning of 2000, which led to the publication of a Discussion Paper entitled "The Commission and non-governmental organizations: building a stronger partnership." The Paper emphasized the important contribution of CSOs in the development of legitimate European governance. The process was finalized with the adoption of a White Paper on European Governance in July 2001, with the goal of establishing more democratic forms of governance at all levels; global, European, national, regional, and local. The White Paper forwarded a set of proposals focusing on the role of the EU institutions in relation with its involvement, better regulation, and the contribution that the European Union can make to world governance. As part of the White Paper on European Governance, it was stipulated that "Civil society plays an important role in giving voice to the concerns of the citizens and delivering services that meet people's needs. […] Civil society increasingly sees Europe as offering a good platform to change policy orientations and society. […] It is a real chance to get citizens more actively involved in achieving the Union's objectives, and to offer them a structured channel for feedback, criticism, and protest." The EU's regulation

28 COM (97) 241, final.

agenda had the intent to strengthen the effectiveness, efficiency, coherence, accountability, and transparency of EU policies, while ensuring the greater engagement of stakeholders and citizens.

Table 4.

Overview of EU initiatives to strengthen civil society engagement in policy processes

Year	Initiative	Introduced by	Highlights
1997	EC Communication on "Promoting the role of voluntary organizations and foundations in Europe"	DG V (Social Policy) and DG XXIII (Social Economy, Small and Medium-sized Enterprises, and Tourism)	• introduced a definition of voluntary organizations • aimed to address the relations between the Commission and the voluntary organizations in the social policy field
1999	"The role and contribution of civil society organizations in the building of Europe"	Economic and Social Committee	• starting point for the "First Convention of Civil Society organized at the European level" • definition of civil society[29]
2000	Discussion Paper: "The Commission and non-governmental organizations: building a stronger partnership"[30]	European Commission	• defined CSOs by using the same characteristics as those of "voluntary organizations" in the 1997 Communication, but it addressed all policy sectors
2001	White Paper on European Governance	European Commission	• Goal: "to open up policy-making to make it more inclusive and accountable," and dialogue with civil society holds an important place within this
2002	General principles and minimum standards for consultation of interested parties	European Commission	• the paper is a direct contribution to the "Action Plan for Better Regulation" and the new approach to impact assessment

29 According to Smisman (2003, p.491), this definition includes "NGOs that bring people together for a common cause, such as environmental organizations, charitable organizations, etc.; community-based organizations (CBOs), i.e. organizations set up within a society at the grassroots level to pursue member-oriented objectives (e.g. youth organizations)."

30 COM (2000) 11, final.

In December 2002, the general standards for consultation processes were introduced through the Communication "General principles and minimum standards for consultation of interested parties," setting up a coherent and flexible framework for the consultation of stakeholders, including CSOs, thus providing all interested parties with a voice in the process. The institutionalization of such a procedure would determine higher levels of accountability for the actors involved, would create a coherent, yet non-rigid approach so as to serve different circumstances, and would promote mutual learning and exchange of good practices at the European level. In this context, civil society was defined as being "the principal structures of society outside of government and public administration, including economic operators not generally considered to be 'third sector' or NGOs. The term has the benefit of being inclusive and demonstrates that the concept of these organizations is deeply rooted in the democratic traditions of the Member States of the Union."[31]

The general principles and minimum standards for consulting interested parties (introduced in 2002) apply "without prejudice to more advanced practices applied by Commission departments or any more specific rules to be developed for certain policy areas."[32] The general principles introduced were: participation; openness and accountability; effectiveness; and coherence.

(1) **Participation.** According to this principle, the Commission will consult as widely as possible on major legislative proposals and policy initiatives. "[The] quality of […] EU policy depends on ensuring wide participation throughout the policy chain —from conception to implementation."[33]

(2) **Openness and accountability.** In relation to openness, the Access to Information rules require: forward plans to be produced showing what decisions will be taken and when; notice to be given of decisions; reports to be published and background papers to be accessible (all with limited exemptions for confidentiality).

> "The [European] institutions should work in a more open manner […] in order to improve the confidence in complex institutions."[34]
>
> "Each of the EU institutions must explain and take responsibility for what it does in Europe."[35]

31 COM (2002) 704, final.

32 *Ibid*.

33 COM (2001) 428, final, p. 10.

34 *Ibid*., p. 10.

35 *Ibid*., p. 10.

The consultation processes run by the Commission must also be transparent, both to those who are directly involved and to the general public. The following must be clear:[36]

1) what issues are being developed;

2) what mechanisms are being used to consult;

3) who is being consulted and why;

4) what has influenced decisions in the formulation of policy.

In turn, these principles need to be respected by the organizations submitting proposals. Accordingly, they must specify: which interests they represent; and how inclusive that representation is. Interested parties wanting to comment on policy proposals must therefore be ready to provide the Commission and the public at large with this information, which should be made available either through the CONECCS database (when organizations are eligible for this database and wish to be included on a voluntary basis), or through other means (e.g. special information sheets). In the absence of these details, submissions will be considered as individual contributions.[37] For an organization to be eligible for the CONECCS database, the organization must be a non-profit representative body organized at the European level (i.e. with members in two or more European Union members or candidate countries; being active and having expertise in one or more of the policy areas of the Commission; having some degree of formal or institutional existence; and being prepared to provide any reasonable information about itself, as required by the Commission, either for insertion on the database or in support of its request for inclusion).

(3) **Effectiveness.** In order to be effective, the consultation process must involve interested parties in the early stage of policy development and to give enough time for the interested parties to formulate their point of view. "Policies must be effective and timely, delivering what is needed."[38] Another condition for effectiveness is respect of the principle of proportionality. The method and extent of the consultation performed must, therefore, always be proportionate to the impact of the proposal subject to consultation, and must take into account the specific constraints linked to the proposal.

36 COM (2002) 704, final.

37 *Ibid*.

38 COM (2001) 428, final, p. 10.

(4) **Coherence.** When referring to coherence, the Commission will ensure that there is consistency and transparency in the way its departments operate their consultation processes. The Commission will include in its consultation processes, mechanisms for feedback, evaluation, and review. "Policies and action must be coherent […]."[39]

The European Commission sets forth several principles to serve as guidelines for the proper development of the consultation process. They refer to this set of principles as the "minimum standards" and should be observed in the content of the consultation process, consultation target groups and publication, time limits for participation, and acknowledgment and feedback.

Firstly, all communications related to the consultations should be clear and concise, and should include all necessary information in order to enhance cooperation and facilitate feedback on behalf of relevant stakeholders. Interested parties are provided with a detailed description of what consultation documents contain:

- a summary of the context, scope and objectives of consultation, including a description of the specific issues open for discussion, or questions with particular importance for the Commission;
- details of any hearings, meetings or conferences, where relevant;
- contact details and deadlines;
- explanation of the Commission's processes for dealing with contributions, what feedback to expect, and details of the next stages in the development of the policy;
- if not enclosed, reference to related documentation (including, where applicable, supporting documents from the EC).[40]

As grassroots organization often lack the manpower to deal with the legislative language, clear and concise communication modes are of immense importance, as they do not additionaly hinder possibilities for grassroots organizations to be involved in the consultation process. The second issue mentioned by the Commission prescribes the actual process of consulting target groups. Attention is drawn to the need to properly identify relevant actors for the purpose of consultation, and to create a framework in which these actors can express opinions and share ideas. When defining a group of interest, the Commission refers to both those affected by the policy, and to those being involved in

39 *Ibid*, p. 10.

40 *Ibid*.

the implementation stage. Other actors to be considered are those which have expressed clear objectives in tackling the issue at hand. The EU body has established several points to be taken into consideration when determining who is relevant for the purpose of the consultation, by assessing elements such as: the wider impact of the policy; having experience in the area; the need to involve non-organized parties (should the need occur); conducting a background search on the actors, to maintain a balance between social and economic bodies; involving both small and large companies; having religious representatives, as well as representatives from such specific groups as the elderly, the unemployed, women; being able to consult organizations both within and beyond the EU (e.g. from candidate countries or major trading partners). In that respect, grassroots organizations especially fall under scope of those actors who play an important part in both the policy and implementation stages. Yet, as they usually conduct their activities at the local level, their visibility in the process of properly identifing relevant actors may be reduced. Additionally, this second principle contains information regarding the responsibility of the Commission to consult formal or structured European bodies, if they exist, and to make sure that all interests are represented and taken into account for the topic under debate.

The third standard refers to publication. This section of the document sets out clear and concise procedural lines along which the EC should carry out its projects. The document states that the Commission is responsible for "adequate awareness-raising publicity,"[41] that is, the body has the role to adapt communication channels in order to address its target groups. Thus, the consultation should be available online at a single access point. Also, for facilitating the access of broader audiences, the Commission will use the "Your-Voice-in-Europe" portal, where all relevant documents and information will be made available for consultation. Traditional channels like mailing and press releases will also be in use, as well as special channels for disadvantaged categories, such as the disabled.

The fourth issue consists of time limits for participation. With this, the Commission commits to taking into account a minimum of eight weeks for the reception of responses to a written contribution, and at least 20 working days to carry out meetings, in order to provide participants with sufficient time for preparation and planning. The timeframe can accommodate modifications in urgent situations, or in cases where interested parties have had previous opportunities to raise their views on the topic. But in order for all the relevant actors to take part in the process, the timeframe itself needs to be stated clearly and visibly in order to foster the participation of smaller organizations which may not be familiar with the usual time constraints. Longer periods of consultation can be allocated in particular situations:

41 *Ibid*.

- when national or European organizations have to consult their members in order to establish a common position;
- when there are certain binding instruments (such as agreements);
- depending on the specific nature of a proposal or its complexity, the need to consult a variety of actors can occur; and
- during holiday periods.

Finally, the receipt of contributions should be acknowledged. Results of open public consultation should be displayed on websites linked to a single access point on the Internet. Varying according with the number of comments received and the resources available, the acknowledgement can take the form of:

- an individual response (by email or acknowledgement slip);
- a collective response (by email or on the Commission's single-access point for consultations on the Internet; if comments are posted on the single-access point within 15 working days, this will be considered as acknowledgement of receipt).

Contributions are analyzed carefully to see whether, and to what extent, the views expressed can be accommodated in policy proposals. Contributions to open public consultations are made public on the single-access point. Results of other forms of consultation should, as far as possible, also be subject to public scrutiny on the single-access point on the Internet. The Commission consigns the provision of adequate feedback, responding to the involved parties, and to the public at large. An explanatory memorandum accompanying legislative proposals by the Commission or its communications following a consultation process include the results of these consultations, and an explanation as to how these were conducted, and how the results were taken into account in the proposal. In addition, the results of consultations carried out in the Impact Assessment process are summarized in the related reports.

The core of the activities of grassroots associations is defined as participation (not merely as an expression of one's opinions and thoughts, but through purposive engagement in the course of public discussion). In empowering democratic legitimacy and diminishing its deficits, formal consultations represent one of the important access opportunities for fostering citizen engagement at the level of the European Union. Yet, the general principles and the minimum standards introduced need to be followed in the process. In the next section of this publication, we focus on how these conditions are met, by drawing on the experiences and practices of grassroots associations in the five partner countries where the Grassroots Europe for Local Wellbeing project has been developed.

PART II.

Reconceptualizing Practice: A Grassroots Perspective

Chapter 3
Case Study: Austria

By Franz Steiner (Interkulturelles Zentrum, Austria)

1. Context of the Third Sector in Austria

In Austria, civil society organizations are associations of people with common ideals and goals. According to the 1867 constitution, everyone has the right to form a civil society organization. Up until 2002, the Association Statute valid from 1951 had been in force. In 2001, the Ministry for Internal Affairs presented a bill on the New Association Statute and several organizations were invited to comment on the bill. In their opinion, the new association law added far more bureaucratic barriers and controls for associations and, according to them, no evidence could be detected that showed that the intention of the government was to foster civil society structures.

In line with the New Association Statute, only non-profit institutions can be established. For this, at least two persons are required to provide detailed particulars to the authority (e.g. name, headquarters and purpose of the association, activities and membership, rights and duties of members, organs and presence at quora, representation and rules of dissolution). Associations are registered at a central register of associations, and they have to record their registration number in every publication and correspondence, while associations with an annual business volume of EUR 1 million or more have to present balance sheets. In the case of disputes, an arbitration board needs to be named.

Since January 2006, the list of associations in Austria has been publicly available online at the central register. Apart from these legally registered organizations (*Vereine*), there are other forms of civil organizations, such as ARGE (*Arbeitsgemeinschaften*), an informal group of people, organization or a network in which a member is not asked to pay any kind of fee or make financial contributions. As for associations established by and for migrants, and other associations working in the field of integration, these are mostly organized as legally registered associations (*Vereine*); this allows them to be publicly visible and accepted, as well as to apply for public funds. Yet, the majority of migrant organizations are formed within ethnic borders. While migrant associations from ex-Yugoslavia are mainly formed for cultural and sports purposes, migrant associations from Turkey, Latin America, and Africa are mainly formed to deal with political issues.

Historically, civil society in Austria remained relatively weak. Associations linked to churches or to political parties dominated the public arena for many years. Apart from these, there are structures known as "social partnerships" (*Sozialpartnerschaft*). These are bodies consisting of representatives of economic enterprises (employers) and representatives of workers' associations (employees) which had been involved in governmental decisions in the past. Austria's membership in the EU has initiated a change in the organization of civil life in the past ten years. CSOs and other organizations became partners in European networks and European projects. Moreover, resistance against the coalition between the Austrian Freedom Party (FPÖ) and the Austrian People's Party (ÖVP), which was a strong sign of civil life, has strengthened the civic sector in Austria.

Civic activism in Austria is more visible in some areas, such as sports and local cultural associations, as well as in organizations such as the Red Cross or the fire brigade. A respectable number of people is involved in organizations dealing with environmental issues, and with inclusion (integration, anti-racism, intercultural exchange, etc.). In terms of continuity, civic engagement is usually short-term, but it tends to be more spontaneous (e.g. the 2009 initiative of two students protesting against right-wing populist politics, and in favor of human rights, which led to a broad demonstration for human rights via Facebook in a time span of a few weeks). At the same time, migrant associations or organizations working in the field of integration lack funds, institutional support, capacity, and also political acceptance. The most important factor that guarantees their success is the network of active members, who are widely accepted (or well known), in society, who can contribute financially, and who are able to shape professional communication with the media and the general public.

For the moment, there are no statistics dealing with public funds aimed toward civil society organizations in general, and there are also no statistics concerning funds for migrant or integration associations. Private donations (foundations) are rarely directed towards the civic sector, as they mainly fund artistic and cultural activities. There are two foundations in Austria which provide financial resources for social or civic activities, the Erste Foundation, and the Unruhe Stiftung. Grassroots organizations can also ask for small funding schemes that will be used for specific activities (and small projects) from the competent governmental departments or the competent departments of their communities. Civic society organizations sometimes also receive money from organizations working under European framework programs like Youth in Action (administered by Interkulturelles Zentrum), or programs funded by large private companies such as Vielfalter (Western Union). Recently, there has been a growing tendency for public and private organizations to organize tenders in different fields of action (e.g. the public TV network ORF organized a contest on the topic of integration, where different associations could present their work). However, this kind of funding usually goes to one or very few projects, or to one association.

Immediately after the Second World War, there was no independent civil society in Austria. Involvement in this area was closely linked to political parties, and the establishment of Austrian foundations developed differently from other neighboring countries. Until 1993, there were few private foundations fostering the development of the Austrian civil society, which led this type of involvement to be perceived as insufficiently assertive and insufficiently accepted and respected.[1] The rise of the welfare state (which grew continuously until the 1970s), the appearance of new political parties on the political scene, as well as the prevalence of the "social partnership" (*sozialpartnerschaft*, a structure of cooperation between different large economic interest groups and the government) lead to gradually diminishing the importance of civil society organizations. With economical and social changes taking place at the global level, the concept of political unification lost its importance, allowing other civic organizations in Austria to gain power.[2] New and conservatively shaped definitions of civic society appeared, demanding citizen participation, and "full performance of their duties," to discharge the government. However, these definitions did not prevail in Austria.

Before Austria became a member of the EU in 1996, the civic sector was mainly involved in the field of environment, development cooperation, and social assistance, and was still strongly shaped by political parties. The growing importance of development policy in countries all over the world led to the appearance of more and more civic society associations being organized in other activity fields. The referendum concerning the Zwentendorf nuclear power plant in 1978 and the prevention of a power plant construction in Hainburg in 1984, seen as symbols of civil disobedience and successful landmark campaigns against shortfalls in Austrian democracy, can be regarded as milestones for this kind of development. In this context, the protest rally against the "Referendum against foreigners," initiated by the Austrian Freedom Party (FPÖ) can also be mentioned. This protest rally became the largest since the formation of the Second Republic. Uniquely in Vienna, 300,000 people participated in demonstrations organized by a CSO, and created a "sea of lights."

The EU accession brought about the possibility to participate in EU funding programs, which represented a dramatic change—for Austrian civil society, and in particular for human rights organizations and migrant organizations—compared to the previous period, during which civic society was shaped by political parties, and funding depended on proportional representation.[3] Further milestones in civil society involvement in Aus-

1 Zivilgesellschaft in Europe—Zivilgesellschaft in Österreich; Weidel (2008); The world of NGO (2008).

2 *Ibid*.

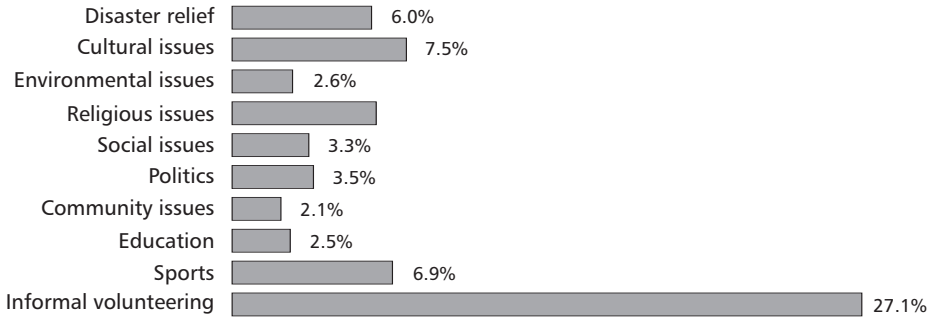
3 *Ibid*.

tria were the "Thursday demonstrations" (*Donnerstag-Demonstrationen*). Over a period of two years, about 250,000 people demonstrated every Thursday against the participation of the right-wing party in government. Due to these actions, and many more activities which are not stated here, an interrelation between CSOs and state institutions developed. Gradually, it started to include more and more actors that were active in the alternative and autonomous scene in Austria. However, the situation with other similar proposals is rather difficult; the possibilities for participation and communication are insufficient, lacking structures which could foster the work of existing initiatives.

According to the 2006 Micro Census Survey (*Microzensus-Erhebung* prepared by Statistik Austria), 44.8 percent of the Austrian population, all in all over 3 million people aged over 15 years old were volunteers. Some 38 percent (1.15 million) of these were engaged in formal voluntary work, while 36.2 percent (1.1 million) in informal voluntary work. Almost one third of Austrians (28.6 percent, approximately 0.8 million) were engaged in both; 27.9 percent were engaged in formal voluntary work activities with an organization, and 27.1 percent were engaged in informal voluntary work, conducting activities based on private engagement or direct connection with beneficiaries.

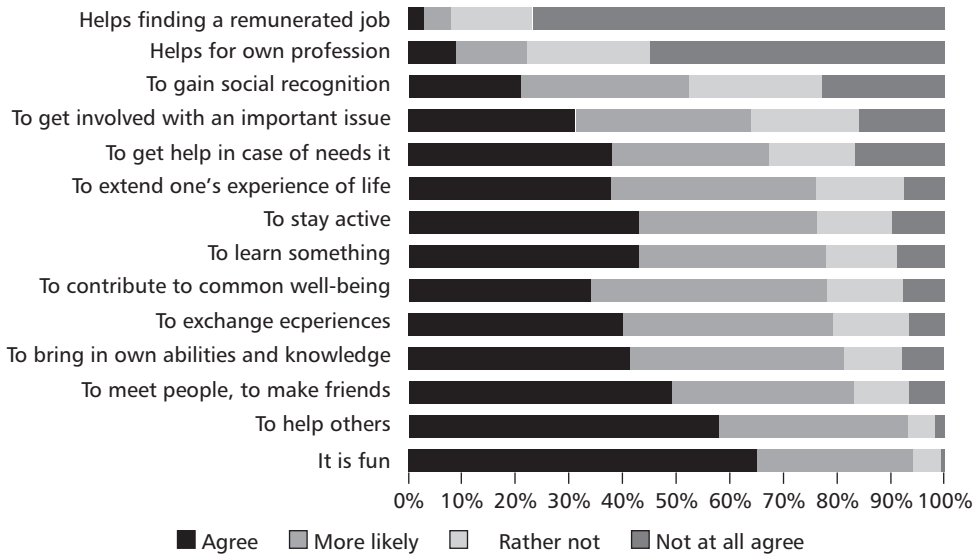
A 2011 report entitled *Voluntary work in Austria*, prepared in the framework of the European Year of Voluntary Work, shows that engagement in the field of so-called "informal volunteering" (as opposed to formal volunteering in the context of an organization or institution) is declining. Within the framework of project work, the report tended to focus more on supportive voluntary activities (formal voluntary work) and less on actions which targeted the improvement of social deficits (solidarity with discriminated and excluded groups in society, activism against the political scene due to disagreement over the existent social conditions). Looking at the population of Austrians engaging with the civic sector, men are slightly more often involved than women, and unlike women, they tend to more often choose formal forms of participation rather than informal ones. Figure 1 offers an overview of domains of participation selected most frequently by Austrian volunteers.

Figure 1
Overview of voluntary work in Austria[4]



The reasons for civic involvement and their popularity among people involved in voluntary work are presented in Figure 2. Accordingly, the fun aspect of volunteerism is most frequently invoked by those surveyed, followed by the rationale of helping others. The desire to learn more, just as the desire to stay active, represented the primary motivation for engagement for around 40 percent of those taking part in the survey.

Figure 2
Reasons for civic involvement in Austria[5]



4 Mikrozensus-Zuzatzerhebung (2006).

5 *Ibid*.

2. Grassroots Relations with Other Sectors

Different civic networks exist in Austria, and some of these are organized as Internet platforms where the members can publish their activities (for example, respect.net, or the Austrian *Nachhaltigkeitsportal*); others take the form of traditional networks like *Initiative Zivilgesellschaft.* The majority of these initiatives deal with ecology or environmental issues, but inside these networks, social initiatives could be found as well. At the same time, many social initiatives are organized around the Austrian Poverty Conference, a network working at the European level (EAPN). Particular small initiatives at the city level also take part in the local network activities of Agenda 21 and in the activities of regional management organizations (e.g. Leader Management: *Gemeinschaftsinitiative der EU zur Förderung innovativer Strategien zur Entwicklung ländlicher Regionen*), mainly focusing on environmental issues. A national network was established in the framework of the Austrian National Integration process managed by the Austrian Federal Ministry of Internal Affairs, and it comprised about 30 CSOs working in the field of education, social inclusion and integration. These include Netzwerk Rechte, Chancen, Vielfalt (NRCV). The network was established as a response to the fact that many CSOs were unsatisfied with the involvement of the civic sector. Nonetheless, this network and the grassroots initiatives working in the social field have not yet consolidated their relations.

The cooperation between initiatives in the framework of this grassroots project resulted in the identification of several needs, as follows: the need for more cooperation and better networking between the initiatives themselves; the need to enhance the public recognition for the work undertaken by these initiatives; and the need to achieve certain levels of solidarity between the bigger and the smaller initiatives. Cooperation with CSOs (and/or public institutions) is necessary in acquiring the chance to be included in bigger activities (projects), allowing grassroots initiatives, at the same time, to benefit from both national and European funds.

In 2008, the Austrian Federal Chancellery published a paper on "Standards of Public Participation—Recommendations for Good Practice." In this publication "public participation" is defined as the "the chance for all those concerned and/or interested to present and/or stand up for their interest or concerns in the development of plans, programs, policies, or legal instruments."[6] Further, it distinguished between three levels of participation: information, consultation, and cooperation. The second level, the "consultative public participation" is described as follows: "Participants can comment on a question asked or a draft presented. They can thereby influence the decision, even though the extent of influence may differ considerably. Communication takes place in

6 Austrian Federal Chancellery (2008), p.17.

both directions, from the planning or decision-making body to the public and the other way around, as well as under certain circumstances once again back to the public, for example if received comments are answered. Comments can also be made in early phases of the participation process, for example via interviews. Also continuous, for example quarterly, dialogues with selected target groups for information exchange are considered consultative public participation."[7] On one side, Austrian politicians are propagandizing on civic society actors and initiative participation, while on the other, initiatives stress the lack of structures and conditions for effective and real co-determination in decision-making processes (communication structures). Even if there is a need for certain forms of collaboration, the independence of civic society initiatives from the political decision-making system is stated as an important aspect.

Civil society itself has always played an important role in society, with its supportive actions, its being a mouthpiece for disenfranchised and discriminated groups, shaping the society and politics through participation. One reason why people are engaged in civil society initiatives is their distrust in political decision-making processes and their social and political discontent with current circumstances. That is why the relation between grassroots initiatives and the public sector is a difficult one. The issue of the visibility of CSO work, together with higher recognition by the public sphere, is stated as one of the most important aspects in the discussion being held within the framework of this project.

If the activity of grassroots initiatives is defined as "bottom-up democracy action/activity," it is required to focus on the motivation and integration of people in the work of civil society initiatives (besides cooperation between state policy actors and decision-makers), as well as on settings in which specific encounters may take place. Due to their organizational structure (voluntary work means a lack of resources for elaborated administrative work), grassroots initiatives in Austria, working in the field of informal volunteering, get nearly no (national or European) public funding.

Private foundations are important actors within Austrian civic society. There are currently about 4,000 private foundations in Austria. The Austrian *Privatstiftungsgesetz* (law on private foundations) allows foundations to work in the public-benefit sector. However, in most countries in the EU, there are many private foundations working for the benefit of the public. A small percentage of private foundations in Austria work for the public benefit (ca. 5–10%). Most private foundations do not deal with the concerns of civic society, though civic society initiatives would need more private capital for social,

7 *Ibid.*, p.18.

cultural and other issues, since funds received by the state are in constant decline. Only a few partnerships between private foundations and civil society initiatives (mostly CSOs of a certain size and with sound finances) exist in Austria. Although corporate social responsibility has gained importance in the last few years (especially in the social sector and in the field of human rights) there are no visible changes. Yet in this context, we can name several examples of this kind of partnership: the *Unruhestiftung* (carries out a competition for initiatives focusing on the social sector); the *Erstestiftung* (active in the educational sector); and the *Vielfalter* (a competition for initiatives and CSOs active in the fields of integration and diversity).

3. Contribution of Grassroots Organizations to Local Well-being

3.1 Challenges Identified during Event Discussions

All of the initiatives participating in the project belong to the so-called informal sector of voluntary work (activities based on private involvement, with a direct connection to beneficiaries). What they all have in common is a *lack of recognition and appreciation* for their work in the society. Even the EU with its European Year of Voluntary Work focuses on supportive activities and less on activities dealing with the improvement of social deficits (solidarity with discriminated and excluded groups in the society). Making their work more visible—for policy makers, as well as society in general—is one of the challenges the initiatives face. Due to the importance of their work for social well-being and society in general, civic society initiatives should be seen as the third power pillar.

Directing the European discussion concerning well-being indicators in a more "social" direction is seen as another challenge for grassroots initiatives, a course which should include the issues of deceleration and redistribution of resources. Talking about *deceleration* in the context of civic society initiatives means to follow their time structures (more "sociomorph" than "technomorph" time structures). For building sustainable structures—for example, to involve persons concerned in decision-making procedures—more time is needed than is usually foreseen in projects, because specific timeframes have to be followed which do not allow all dimensions to be appropriately taken into account.

Redistribution of resources means that concerned persons should have the possibility to participate in decision-making processes which are related to their specific situation. This requires resources for people who are interested in participation, in relation to deceleration time resources for making participation actions sustainable.

Some Austrian grassroots initiatives involved in grassroots projects get national funds for small schemes; almost none of them obtain funds from the European Commission. *Long-term (structural) funding* not depending on projects (long-term funding assurances for lasting, process-oriented purposes while retaining their autonomy) would be important for the activities of grassroots initiatives, particularly to ensure the sustainability of their work.

3.2 Opportunities

Civil society engagement is an important aspect of society; supportive actions give voice to specific groups and help shape politics and society in general. Work in grassroots initiatives is mainly connected with distrust in the political decision-making processes and requires civil courage and "bottom-up democracy actions." That is why one common aspect of the participating initiatives in Austria is to fight for respect and human dignity.

Grassroots initiatives are run by professionals; the work they do is visible and the impact of their work is empirically detectable. That is why grassroots initiatives should be seen as experts for the specific issues their activities are related to. The idea to introduce a kind of *"think tank"* to utilize the experience and the knowledge of these experts was one of the results of the Austrian project meetings in the framework of the "Grassroots Europe for Local Wellbeing" project. An institutional group could be created, a kind of grassroots association (*panel of experts*) which could become a mouthpiece for grassroots interests. The work approach should be consciously open, no exclusive groups should be built (the colorfulness and diversity in the work of grassroots initiatives should be a precondition of the development of such an idea). This "institutionalized group" should be able to work independently nationwide and should be accepted as a professional partner involved in political decision-making processes at the national level.

An idea from one of the participating grassroots initiatives (Venite) is the *"token for volunteers,"* which should make volunteering more attractive. A "volunteer pass" for active volunteers should help to document voluntary work and should provide advantages to volunteers in relation to the use of public means of transportation and entrance fees (museums, etc.). The volunteer pass should be assigned by a state office. Every citizen would have the chance to contract out this "token" to a volunteer with such a pass. The number of tokens obtained should be limited (per year) and not transmissible. This "token for volunteers" should be redeemable in supermarkets by showing the volunteer pass for specific products. The supermarkets would be directly compensated for every token received by the state. The token would have to be used within one calendar year. This idea could raise responsibility, promote civil society engagement and help to promote the work of volunteers.

4. Concluding Remarks, Perspectives and Policy Recommendations

Well-being is discussed in the European Union in relation to sustainable growth. Civic society actions are something additional, aside from economic requirements. Social well-being indicators—presently discussed at the European policy level—do not sufficiently describe well-being. As a first result of the discussions concerning well-being, the participating grassroots initiatives identified themes which (additional to the ones already discussed) should be covered by social well-being indicators:

- for everyone to be equal (eye-level in encounters with state authorities and decision-makers);
- material security through provision of basic supplies;
- medical care and access to education (which should also integrate democratic, anti-discrimination and social well-being themes) for everyone;
- minimizing the gap between rich and poor;
- balancing support for persons with special needs; and
- facilitation of a self-determinate life (a maximum possible self-determination includes equitable co-determination from peoples concerned).

The discussion of social well-being indicators could lead to a kind of "social well-being footprint" as an equivalent to the "ecological footprint" (which also touches upon global ethics).

To enhance the appreciation of grassroots initiatives work, an institutional group could be created, a kind of grassroots association (*panel of experts*) which could become a mouthpiece for grassroots interests, actively involved in relevant contextual "think tanks" and accepted as a professional partner in political decision-making processes at the national level.

Due to their lack of resources, grassroots initiatives are not able to accomplish the current requirements necessary for European funding procedures. To overcome this barrier, a particular *cooperation model* for applicants for European funds could be established. Cooperation between applicants for European funding programs and local grassroots initiatives could be a precondition, or one of the important evaluation criteria for the selection procedure.

Besides the "redistribution of European funds" from large CSOs to small grassroots initiatives, such a cooperation model could bring:

- a certain solidarity between big CSOs or public institutions and small grassroots initiatives; and
- a higher acceptance of grassroots initiatives as professional partners (being more involved and present in the political decision-making process).

Co-determination structures have to be developed to create balance between politics, economy and civil society initiatives (CSOs and grassroots initiatives) and to establish civil society initiatives as a third power within society in general. Communication at different levels is necessary for the development of "co-determination structures." The current implementation process of the EU 2020 strategies and the national reform plans could be a good example or model to show how this kind of cooperation and involvement of grassroots initiatives would be managed.

A more supportive, structural framework for better communication with political decision-makers, and with the public in general, would be a visible sign of recognition of grassroots initiatives' work. The encounter between grassroots initiatives and the general public requires public space**,** which is also a part of the missing structural framework. Additional to the recommendations described above, another set of framework conditions have been identified as important factors for strengthening the capacity and for maximizing the effectiveness of grassroots activities:

- strengthening cooperation between grassroots initiatives;
- the creation of various framework conditions for civic society actions (participatory structures, encounter places/rooms, etc.) and change of the political system through recognition and acceptance of "bottom-up processes";
- enhancing the appreciation of voluntary work by providing such resources for voluntary work as a bonus system for volunteers (for example the Group Leading Card from Germany, with which group leaders are supported by getting two additional weeks of holiday), or establishing a third-party liability insurance for grassroots initiatives;
- broad-minded political education as a long-term perspective could also include the importance of civil society engagement for a positive development of society in general.

Chapter 4
Case Study: the Czech Republic

By Vojtěch Černý (Agora CE, Czech Republic)

1. Context of the Third Sector in the Czech Republic

The third, or civil society, sector in the Czech Republic was not created from scratch in 1989. On the contrary, it was built out of a rich tradition of civic Czech life. After 1989, we can define some periods in the development of the civil society sector in the Czech Republic. In the beginning, revolutionary enthusiasm was reflected in a liberal state policy towards the civil society sector: the Endowment Investment Fund was established, foreign donors arrived, and there was a massive influx of international financial resources for its development. In the following stage (from approximately 1993–1996), referred to as the period of hesitation, the state took a reserved stance towards the sector. On one hand, there existed a stable state support; on the other, there was reluctance to distribute financial resources from the Neighborhood Investment Facility (NIF).

Partly due to preparatory activities for accession to EU, the state closely monitored legislation regulating the civil society sector (foundations; religious legal entities; stricter rules for ministerial subsidies; distribution of the first NIF financial means) in the subsequent period. The decentralization of state administration in 2002 has had an impact on civil society organizations (CSOs) in the region. After EU accession, foreign donors withdrew (a temporary solution being provided by the Trust for Civil Society in Central and Eastern Europe), and EU accession urged the enforcement of the partnership principle, and the use of EU Structural Funds.

The dependence of some CSOs on EU funds affected them very adversely in 2008. EU funds have come in waves: the first from 2004–2007, and the second from 2008–2013. For ten months in 2008, CSOs experienced a gap in EU funding, since the government was very slow to distribute the financing. Furthermore, some organizations which had received funding from the first wave of EU funds were not included in the second wave, as the government chose to support newer organizations in the latter round. Therefore, many organizations have cut down on their services, dismissed employees, or have gone bankrupt.

Nevertheless, the number of CSOs grows every year. In 2009, there were more than 100,000 civil society organizations operating in the Czech Republic. From 1999, the number of civic associations grew from 38,072 to 68,631 in 2009. Also in 2009, there were 429 foundations; in 1999 there were only 272. In the case of public benefit organizations, there were 1,813 in 2009, and only 52 in 1999.

The most widespread type of civil society organization is the civic association. However, many civic associations cease operation without going through the legal procedure of de-registration. As a result, statistics on Czech CSOs are not completely accurate. We can estimate that 15–20 percent of civic organizations are not active. Furthermore, there is a certain degree of centralization in the placement of civic associations; in Prague and other large cities, there is a greater number of civic associations, whereas in other regions there is a greater number of organizational units of these associations. More than half of the Czech population belongs to a civic association. Frequently, however, the Czechs are members of sports and hobby associations (angling, gardening, and so on).

Table 1.

The number of CSOs according to main sphere of activity (%)[1]

Recreation, sports and PE	17	16.9
Social services	15	37.5
Culture and arts	14	12.8
Education and research	13	13.5
Environmental protection	9	12.4
Health	8	15.4
Community development and housing	5	6.7
Civil rights advocacy and counseling; human rights protection	4	5
Religion, church	3	8.6
International activities	3	5.5
Trade unions, professional, and business associations	3	4
Charity	2	12.6
Other	5	6.7

1 Frič (2000).

In regions with low levels of participation (e.g. the Moravia–Silesia Region), people in difficult situations rely on the state and on their own activities; the traditional community (in the sense of *Gemeinschaft*) has mostly eroded and is increasingly being engulfed by a passive outlook. This is confirmed not only by the data on the number of inhabitants per CSO in these regions, but also by empirical analyses. In such regions, the development of the civil society sector has been slower. Nevertheless, it is still regarded as very important, since it does provide an alternative for a growing passivity.

On the other hand, in regions with more developed CSO networks (e.g. the South Moravia Region), in smaller communities supplemented by social networks, and in the more individualistic Prague where, apart from the civil society sector, individuals' activities have a more distinctive role. Here, according to respondents, people tend to rely the least on the state. In these environments, CSOs are a natural supplement to traditional relations. Social networks continue to play a major role, and the church and religious not-for-profit associations are important actors in the civil society sector. In this respect, the South Bohemia Region seems to represent a sort of average, as people rely both on the state and on social networks.

One of the major barriers (besides funding) to the civil sector's future development is the legal environment. It appears that the issue of the legal environment will be overcome once the re-codified Civil Code is introduced. In 2009, the Law on Public Benefit Organizations and the Law on Foundations and Endowment Funds were novelized. These target the organizational operations of CSOs, improve operations, and encourage the better transparency of the organizations.

Czech legislation still has not clearly defined the term "non-profit organization;" nor even a grassroots entity.[2] This creates problems in as far as legislations are to be interpreted. In 2008, the official draft of the new Civil Code was publicized for comment. This law was to change the structure of the future CSO sector. In 2009, the draft was rejected and the government plans to implement a new one, but probably no earlier than 2015. For CSOs, the absence of a clear definition of the term "non-profit organization" represents a serious difficulty for the future.

Registration process of civic associations is quite quick and easy. The Law on the Association of Citizens is interpreted by the Ministry of the Interior, which also registers these associations. Registration of legal forms other than civic associations is more difficult.

2 The primary laws that regulate Czech NGOs are the: Law on Foundations and Endowment Funds; Law on Public Benefit Organizations; Law on Association of Citizens; Law on Churches and Religious Organizations; and the 2002 Law on Volunteerism.

This is not the case with grassroots organizations (these can mostly be treated as typical examples of civic associations). This is especially true for foundations, endowment funds, and public benefit organizations. A central public register of civil society organizations, with complete and regularly updated information, is still missing (although there is a central register built on a voluntarily basis, and administered by the Ministry of the Interior).

According to taxation laws, subsidies, grants and donations for NGOs are tax-deductible for individuals and companies. The current maximum allowed deduction is still inadequate to motivate potential donors. The tax environment is further complicated by inconsistent interpretations of tax laws. The tax law does not give an advantage to NGOs who conduct self-financing activities. NGOs can generate income through the provision of goods or services, but such activities are not explicitly supported and, in some cases, are indirectly limited. Many problems arise from differing interpretations of economic activities of NGOs that are not well defined by the law.

There are few CSO legislative specialists in the Czech Republic. Legal consultancy services are available in Prague and a few of the regional cities. Universities and schools do not produce a sufficient number of lawyers specialized in the CSO sector. The Czech Republic also still lacks experts able to comment on new legislation. Many CSOs do not fully understand the new laws, which is a problem when they attempt to lobby. Further, political representatives and public administration officials do not consider CSOs and their experts to be equal partners. While CSOs manage to advocate on smaller issues, they fail to advocate for interests concerning the whole sector.

In the Czech Republic, it is possible to make a distinction between two kinds of volunteering (depending on whether or not a volunteer is a member of the organization being volunteered for). The first kind is also called "mutually beneficial volunteering" as opposed to the second kind, which is called "publicly beneficial volunteering." The Law on Voluntary Service mentioned above only applies to the latter.

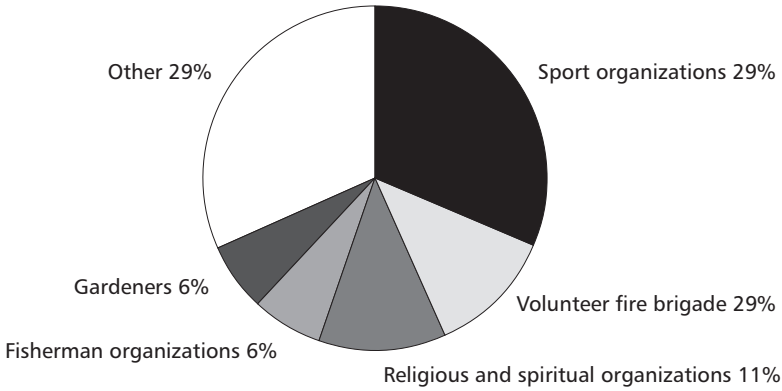
According to a survey carried out in the Czech Republic in 2004,[3] 32 percent of the Czech population had volunteered in a CSO in the previous 12 months. This represents twice as many volunteers as was found in a similar survey carried out in 2000. The tendency of accrual (not the number itself) is also supported by the other surveys; the Czech Statistical Office reports a great increase in the numbers of volunteers (from 840,067 in 2005 to 1,215,363 in 2007). The most recently published survey mentioned

3 STEM: Civil Society (2004).

that 30 percent of the Czech population is volunteering in some type of organization.[4] We can find a similar number (29 percent) in the EVS 2008 report. Surprisingly, one third (11 percent of the population) are volunteering for something other than a civil society organization. For Czech volunteers, it is typical to be both a member of a CSO and to work for the same organization. Considering volunteers' socio-demographics, we can state that they are mostly women (39 percent of women, compared to 29 percent of men responded that they had volunteered). Regarding age, although there are no specific data, estimates have been made that up to 75 percent of volunteers are under 34 years of age.[5] However, this seems quite unlikely (considering the large member organizations of gardeners, voluntary firefighters, fishermen and religious organizations, in which older generations are well represented). The same lack of data can be seen in the geographical spread of volunteering in the Czech Republic and the educational level of volunteers. We have more detailed information about the types of organizations in which volunteers are involved. Due to the different methodologies employed, different pictures on volunteering may be identified (see the following figure in comparison to Table 1).[6]

Figure 1

Volunteering activities according to the type of civil society organization



4 Frič (2009).

5 It should be noted that the methodology and terminology used to collect data on volunteering differs (especially when taking into account volunteers registered in projects accredited according to the Czech Law on Voluntary Service). More than 1.2 million volunteers in 2007 (according to the Czech Statistical Office) were non-accredited. Over 10,000 volunteers are registered in accredited projects.

6 STEM: Civil Society (2004).

2. Grassroots Relations with other Sectors

The term "grassroots" refers to a type of voluntary organization with no employees. These operate as associations on the basis of their members' voluntary activities. To describe the situation in the Czech Republic, we use following distinction. We can divide service and advocacy CSOs into four categories, depending on their age and the benefits they create (see Table 2).

The older mutual-service organizations are focused on such issues as sports, recreation, community development, and hobbies/interests. The newer service CSOs express the public-benefit aspect of activities such as social and healthcare, education, charitable work, and humanitarian aid. The older expressive CSOs comprise members of unions (trade, employee) and chambers. The newer ones are focused on advocacy in topics such as environment protection, human rights, and civil rights. In such a framework, we can find grassroots organizations mostly among the older CSO services.

In the Czech Republic after the communist fall of 1989 and the disappearance of the former all-encompassing National Front umbrella, decentralization took place and associations became independent, while national unions were abolished or reformed. Therefore, 1989 is the meeting point of old and new CSOs.

The distinction between old and new CSOs also points to the different kinds of communication structures within such organizations. The older ones are typically of a hierarchical structure, without communication inside the structure itself. The structure of newer CSOs is characterized by more horizontal relationships. Nevertheless, the structure of umbrella organizations and associations is slowly emerging, especially in cases of sectorial umbrella organization.

When the need arose to create higher structures in the CSO sector in the late 1990s (due to regional planning and preparation for EU Structural funds), it was very difficult to establish these structures,[7] and most viable networks were based around certain fields of activity, such as the environmental Green Circle, the Youth Council, national sports associations, etc.[8] We can call this unwillingness of CSOs to unite the "National Front syndrome."

7 Vajdová (2001a, 2001b).

8 Pospíšilová (2005).

Table 2.
Division of CSO services according to the type of benefit provided

Type of activity	Main aim	
	Mutual benefit	Public benefit
Service	**1. Old service (interest)** • Sport • Recreation • Community development • Clubs	**2. New service** • Social and healthcare • Education • Humanitarian aid and charity
Advocacy	**3. Old advocacy** • Trade unions • Employee unions • Chambers	**4. New advocacy** • Environment protection • Human rights • Civil rights (consumer rights, minorities, etc.)

The Czech Republic has CSO resources and support centers, but the CSO sector lacks a network-gathering organization overseeing the entire country. The development of the CSO sector does not get systematic support from central organs. Purchasing of services is realized through subsidies and grants, which impose unnecessary administrative demands. Governments have begun issuing public calls for proposals, as opposed to working directly with CSOs. This new method of finding service providers would affect the sector negatively. Further, the proposals are less specific, which means that CSOs have difficulties interpreting exactly what the government needs.

Local government agencies purchase services from CSOs in the form of subsidies or grants. State or regional offices also issue public calls for proposals, to which any business or organization can respond. Previously, only CSOs were able to respond. Unlike businesses, CSOs are still regulated by the government, which may negatively affect their ability to compete in an open market.

The public still expects its needs to be served by the government and administrative system. CSOs try to survey public needs, but for the most part do not have the capacity for marketing surveys of actual needs of the public or target groups, so they often make inaccurate estimates. State and regional governments cooperate with CSOs on mutual projects only in certain areas, such as Roma, anti-drug, community, minority, or human rights issues. In other areas, such as healthcare, public administrators act as clients for CSO services. However, this support has declined, as governments have begun to support their own organizations rather than CSOs. As a result of the roundtable sessions, it is also possible to state that the relationship between public administration and the CSO as a professional subcontractor may not even be that common. The CSO suffers due to

a lack of respect from the local public administration (especially the smaller ones, which we can treat as grassroots organizations).

CSO membership in coalitions is limited, and those coalitions that exist do not generally represent the entire sector. Some specialized and regional coalitions work quite efficiently; however, the government and public administration have been calling for integrated representation of the whole sector. Although there has been considerable positive development, an effective channel of communication between CSO and the state is yet to be developed, and with regard to the former relationships, the research has revealed an evident weakness in the relationships between CSO and a limited degree of internal association within the Czech civil society sector. Despite these shortcomings, it is possible to sum up that the civil society sector in the Czech Republic has managed to reach a relatively high level of development.

A specific feature of the Central European civil society sector is the relatively high degree of centralization and bureaucracy, and the sector's traditional demarcation against the state, which is personalized through political parties. On the other hand, close links between the political and civil society spheres are another feature of this sector in the Czech Republic. CSOs still lack acceptance as a major partner, both in the provision of social services and in policy-making.

The issue of funding is more complicated and involves the following aspects: the centralization of (state) funds; the limited availability of funds to cover operational and administrative costs; underdeveloped corporate and private donorship; the departure of foreign donors after the Czech Republic's accession to the EU; and the high expectations placed on tax assignations. CSOs get most of their finances from domestic sources of support, including EU Structural Funds. Most financing for the CSO sector come from public budgets, companies, foundations and individual donors. EU Structural Funds have become a significant source of financing for many CSOs. Smaller CSOs operating in the social sphere have mostly drawn funds from global grants, which were set aside within the Structural Funds. The goal of budget running on the subsidies from the EU Structural Funds is typical for most CSO project managers. However, this collides with the very definition of a "grassroots initiative." Grassroots organizations without sufficient capacities are not seen as good partners for public administration, which is at the same time responsible for the management of EU grants.

Foundation capital is generally low. Most financing comes from resources obtained by foundations from the government Foundation Investment Fund. Foundations obtain their finances from the same donors as other CSOs. From 2008, the volume of financial support from corporations and business people started to stagnate due to the global financial crisis. CSOs usually have several financial sources, but they tend to receive the

bulk of their funding from one primary source, which affects their stability. CSOs are financially secure for up to several months or, at most, one year. The vast majority of organizations do not maintain financial reserves. CSOs that are financed mainly from subsidies, and grants are financially secure for a limited time only.

The relations between third-sector organizations and the private sector can take different forms. We will concentrate especially on the financial (and other) support that companies and entrepreneurs have provided to the local community. This is currently termed Corporate Social Responsibility, and is spreading from large transnational corporations to medium and small companies.[9]

Volunteering and donations often become a part of corporate social responsibility; companies donate money or their products, services or employees' time to civil society organizations. Companies are often flooded with requests for money, and they often create donor strategies of investing either into a specific society topic or in a CSO somehow related to its business matter (or regionally, in a CSO working in its geographical area). Many companies, especially large transnational corporations, establish corporate foundations; some companies join efforts with existing foundations or organize open tenders for a grant. According to annual statistics of the Ministry of finance, donations grow every year. In the period from 2000 till 2008, the number of corporations which deducted donations from their tax base grew from 9,411 donors in 2000 to 19,223 donors in 2008. CZK 714 million were donated in 2000 compared to CZK 2.4 billion in 2008. The global economic crisis in 2009 caused a drop both in the number of corporate donors (–2,500 entities) and in the donated funds (–CZK 82 million).

Table 3.
Deducted donations for 2007–2009

Number of payers who deducted donations from their tax base, and the total sum of donations deducted		Tax period		
		2007	2008	2009
Individuals	Number of payers	141,093	110,614*	107,898
	Donations deducted in CZK	1,469,092,117	1,425,191,599	1,197,991,016
Corporations	Number of payers	18,815	19,223	16,720
	Donations deducted in CZK	2,508,883,799	2,415,230,148	2,333,931,793

9 Corporate social responsibility (CSR) provides numerous advantages to companies, and a growing number of companies are adopting its principles. CSR is an integral part of a company's reputation and it includes not only responsible behavior towards the local community but also responsibility towards employees, shareholders, suppliers, partners, and the environment.

Different companies use different donor strategies. Some companies prefer to connect their name with large well-known CSOs with a good reputation. However, many companies are not afraid to support small CSOs by providing grants through tenders organized by their corporate donor foundations.[10] Community foundations are another intermediary between companies and regional CSOs. Community foundations operate in a specific area with a focus on the local community. They receive money from local donors (both corporate and individual) and allocate them as grants to CSOs operating in a given area, or focusing on the local community. This model originates from the United States and is undergoing dynamic development in the Czech Republic. In the future, community foundations will become an even more important source of funding for small local CSOs.

As an example of direct corporate support to CSOs, we can mention a project of the pharmaceutical company Walmark, called the "Walmark Fund for Třinec Region" (*Walmark Fond pro Třinecko).* Since 2008, this project has systematically supported educational and leisure activities for children and youth, promoting healthy lifestyles, and helping people in need. Holcim Czech Republic awards its regional prizes (*Regionální ceny Holcim pro život*) which are focused on supporting environmental projects and education for youth and the elderly, revitalization of public spaces, and activities aimed at public affairs. This means that in general, small CSOs have a high chance of success if they apply for support from a regional company. Although we have mainly listed examples of support provided by multinational corporations, small and medium-sized companies (both foreign and Czech) also tend to increase their investments in local communities.

Local entrepreneurs are another source of funding for small CSOs; in this case, the strategy will greatly depend on the size of the company. Small local entrepreneurs tend to provide donations in-kind or services (e.g. catering for an event organized by a local CSO, help in revitalizing public space by leasing equipment, etc.). This may be termed philanthropy rather than strategic CSR. The owner of the company or the entrepreneur makes the decision, in contrast to larger corporations, where decisions are often linked to corporate strategy and based on pre-defined processes. Cash donated by individual entrepreneurs usually ranges around CZK 10,000. However, there are a growing number of local companies with a higher turnover which systematically support certain local CSOs. For

10 Grant foundations from ČSOB and Era with the VIA Foundation are examples of foundations which annually support dozens of regional development projects by small regional CSOs throughout the Czech Republic. Another example is part of T-Mobile's Foundation with a regional focus on the Louny Region (T-Mobile operates call centers in Hradec Králové and Louny) which is managed by the Ústí Community Foundation (*Ústecká komunitní nadace*). The above-mentioned foundations provide grants of an amount up to EUR 4,000. These grants are allocated to the projects of small organizations.

example, Hobra Školník s.r.o. (an insulation manufacturer from the Broumov region) has established a regional development agency to provide targeted support for regional development. Josef Kvapil a.s. (a trader in electric appliances) has provided more than 10 years of continuous support to projects of the SOS Citizen Centre for Mutual Assistance in Olomouc and a number of other charities in the region. Bisport spol. s.r.o. (a sports equipment rental company) has provided significant long-term material, financial, and volunteering support to Posázaví, charity focusing on cleaning the Sázava river.

3. Contribution of Grassroots Organizations to Local Well-being

3.1 Challenges Identified during Event Discussions

At roundtable sessions organized in the Czech Republic, financial problems are listed as the biggest obstacle for developing and increasing efficiency of CSO activities. The problem not only lies in the lack of financial resources, but also in the way the system of financing functions. The transformation process of the civic sector described above points out the *problem of non-systematic state support*, the fact that large scale donors have left the Czech Republic, and that it is necessary to adapt to new sources of funding. It has been identified that (especially for small organizations which lack the capacity to administer large EU grants) the instability of priorities and financial support from local public administration is a problem. Local public administration is often one of the few potential donors of grassroots organizations. Such organizations do not have many possibilities to finance their activities, apart from private financial donors. Due to their focus on community development, they often lack the capacity for the preparation and implementation of complex fundraising strategies to gain independence from public support. Unclear strategies of support provided to civil society by local public administration, changing conditions and priorities all bring instability to CSOs, and make it impossible for them to work on a regular basis. We must emphasize that this applies both at the local and national levels. Strategies or usual procedures of support to CSOs which are adopted by one government are often replaced by different priorities when the government is replaced.

Besides unstable financial support, we have also identified the problem of mutual competition among organizations with a similar, or even a different focus. The majority of these organizations are forced to "compete" for limited resources. This applies mainly to those organizations which have a foundation in the local community and do not receive support from any central organization which would guarantee protection and a stable income (e.g. sport clubs or other centrally supported organizations) and don't have the

capacity to obtain funds from entities outside the range of their stable donors (regions, municipalities, members, and supporters). At the local level, lobbying of organizations is often connected with the establishment of good relationships with local public administration and the effort to prioritize their own interests by means of close personal contacts with public decision-makers.

Besides competition among individual organizations, competition between CSOs and public organizations has been identified. Again, to a certain degree, these compete for resources. As we mentioned in the general introduction (especially with regard to social services) a number of services are provided by organizations, which have been established by the local public administration. In this case, we identified competing for 'clients' (i.e. target groups which are approached with an offer of services and activities, or an offer of partnership with the private sector) both from NGOs and local authorities.

Another topic which was discussed at the roundtable sessions was communication at different levels. Bottlenecks and the need for communication were identified from the lowest local level upwards, to the national and supranational levels (communication within the EU). In the case of communication with public institutions at the local level, the problem of poor awareness of grassroots organization activity was discussed. Civil servants and representatives of authorities often show little desire to comprehend the significance of CSO activities within the community. Organizations with a focus on providing activities are professionalized to a certain level, and they face the problem of their activities being misunderstood. Report forms required by donors feature a number of quantitative indicators (number of clients, hours of services provided, numbers of consultations, training sessions, etc.), which do not reflect the quality of work done.

A conceptual, systematic approach is often missing in the communication process with local public administration. Participants of the roundtable sessions identified problems such as an unclear model of communication; insufficient cooperation between municipalities and CSOs about planning; and absence of appropriate models for meetings. The absence of such systematic inclusion of the civil society sector in planning activities for public institutions, or at least a clear definition of priorities, opens up the way for the specific types of lobbying we described above.

If we concentrate on communication between grassroots organizations and the general public,[11] we can see a number of different problems related to the target group or the activity on which the given organization has focused. Organizations working with

11 By "general public" we refer to those citizens who are not from the beneficiary group of CSO activities.

socially excluded population groups feel the problem of their activities being stigmatized. Often, regular citizens are unwilling to engage in activities which provide assistance to such groups as the homeless, those prone to addictions, or to minorities. Organizations which engage in activities such as these mention problems like insufficient funds for proper informational and promotional campaigns which would allow engagement with the wider community and enhancement of their coherence. This problem is perceived differently depending on whether it relates to a municipality or the private sector. The municipality should provide a sufficient base for local CSOs, as well as for coverage of their activities in the media. The municipality is the main administrator of public services, and as such, it should coordinate and inform citizens (the public) about them. However, there is a partial obstacle in the form of the above-mentioned problem of competition between municipalities and CSOs. Organizations focusing more on leisure and cultural activities (which form the majority of grassroots organizations in the Czech Republic) perceive their relationship with the private sector and competition with commercial services to be a problem. For example, the demand for commercial rent is a reason why some CSOs lose the possibility to use rented spaces, especially where municipalities insist on charging the market rate.

Communication from grassroots organizations at the national level takes place through umbrella organizations, although dialogue between local organizations and the central level is absent completely. This is slightly different with organizations which have adapted to the system of donations and grants from central state authorities (either national or European public support). Such organizations often implement their activities via individual local associations anchored in the local community and which work for the local community. Some of these organizations have achieved a strong position, and have become players which are strong enough to act as partners for the central state administration. There are numerous problems in communicating with such authorities, depending on the area of CSO activity.[12]

A clear problem is a lack of understanding of practical aspects from state administration officials. Civil servants who must enhance the efficiency and quality of public services clearly lack experience, and are thus unable to evaluate the needs of target groups at risk of social exclusion.

12 In the Czech Republic, this applies to three ministries or other organizations established by these institutions or linked to the Office of the Government of the Czech Republic. This is, in particular, the Ministry of Education, which is responsible specifically for inclusive education, and the Ministry of Labor and Social Affairs, which is partially responsible for the social inclusion of disadvantaged groups. A third is the Ministry of Health, which influences a number of target groups at risk of social exclusion as the result of a disability. A specially focused entity is the Agency for Social Inclusion, established by the Office of the Government of the Czech Republic.

Communication with some state authorities is impaired by the lack of time for consultations during the legislative process of modifying existing, or adopting new, legislations. Subsequently, newly adopted legislations are often not explained sufficiently. Generally, certain ministries lack standardized mechanisms of communication with the non-profit sector. CSOs also believe that powers within a ministry and between ministries are not divided clearly when it comes down to communication. A few other problems regarding communication at the national level have been identified, but mainly these are, by nature, minor technical drawbacks (e.g. it is difficult to find contacts on the website). For this reason, we do not list them here.

Only a few problematic areas were highlighted in the discussion about barriers for communication at the supranational level. Representatives of grassroots organizations did not voice too many opinions. They stressed the need to have a proper representative for communication at the supranational level. Organizations working at the local level (grassroots organizations) logically concentrate on local problems, and often cannot dedicate their capacity to the development of activities outside their area of operation. Language is also a barrier for communication for some representatives of grassroots organizations. From the point of view of some organizations, it would be a good idea to create a database of national and supranational institutions that could facilitate communication and assist in finding partners which would deal with similar issues.

3.2 Opportunities

The great advantage of the civil society sector in the Czech Republic lies in its power, which has been visible throughout history. A large number of people are involved in grassroots organizations, especially in the field of sports, environmental issues, or the social sphere; numerous volunteers are involved as well. Practically every village has volunteer firefighters or a soccer team. Such organizations help community development.

Another advantage is the fact that the civil society sector is not financed exclusively by the EU, unlike other post-socialist countries; usually a link with municipal or regional budgets is established. Although the support provided by the private sector to CSOs is relatively low, we do observe some positive trends: the amount of support is slightly increasing.

Grassroots organizations are a huge source of knowledge and skills. They substitute for the state in those areas where the state has failed in providing services or outreach, while the grassroots organizations have particular knowledge and skills that are difficult to obtain. They know the social environment well, and can be useful as think tanks, ombudsmen, agents influencing the legislative process (lobbyists), etc. At the same time, they are a

source of information about specific spheres of social life, offering a pool of new talent. A substantial number of high school and university graduates try to get work experience or volunteer for different grassroots organizations. Thus grassroots organizations help young people to enter the work force. Last but not least, grassroots organizations help construct the community. This role is very important and cannot be substituted.

4. Concluding Remarks, Perspectives and Policy Recommendations

Three main priorities have been implied by the activities of Agora CE in the Czech Republic. Priority number one is the necessity to create a stable environment for grassroots organizations and their work. This can be achieved by long-term strategic planning at the regional and municipal levels (e.g. the way community planning of social services is done in the Czech Republic).[13] It is necessary to motivate politicians and civil servants to set long-term goals and create corresponding financial tools in order to enable CSOs to develop their activities in the long run. The constant changing of priorities (and consequently of funding) has a devastating impact on sufficiently remunerated (or volunteer) work.

It is necessary to raise awareness about the activities of individual grassroots organizations by informing citizens, politicians, municipalities, and civil servants. Politicians and civil servants should not make decisions without a knowledge of the specific environment in which grassroots organizations operate. It would be appropriate to motivate local, regional, and state administration to create strategies of communication with CSOs.

Local public administration should create such an environment where individual CSOs do not compete against each other (or against state or municipal entities). They should motivate grassroots organizations towards a more constructive cooperation, uniting them into theme clusters or umbrella organizations which would represent them in legislative processes or in the creation of strategies. These priorities have a common denominator: a lack of financing for the non-profit sector. The consequent incapacity of grassroots organizations and their inability to react to changing priorities of municipalities, their inability to present their own interests, and their unwillingness to cooperate, are because organizations with a similar focus are perceived to be competitors.

13 Community planning of social services in the Czech Republic is carried out based on a methodology adopted by the Ministry of Labor and Social Affairs. Legislation differs on different levels where community planning is required. The quality of processes and output in different Czech regions and municipalities also differs.

Chapter 5
Case Study: Hungary

By Boglárka Fedorkó (Open Society Foundations, Hungary)

1. Context of the Third Sector in Hungary

In the past 20 years, a heterogeneous civic society has formed in Hungary. According to the latest data, 4.4 million Hungarians are members of civil society organizations, and 402,000 citizens volunteer for them out of a population of 10 million.[1] Foundations and voluntary associations have a long tradition[2] in Hungary, which is quite different from other European countries. Religious institutions were not as significant here in medieval times as in the Western parts of Europe; on the contrary, private donors were the ones that ran secular hospitals and alms-houses in the Hungarian cities in the 14th and 15th centuries. The first law regulating foundations was enacted in 1723, giving the king the right to control the activities and the financial accounts of the foundations.

During the second half of the 19th century, a public–private funding model of social services emerged. There were, for example, "foundation places" in public schools and "foundation beds" in hospitals. The communist regime after 1947 discouraged the development of the voluntary sector. Most voluntary associations were banned, and what remained was brought under state control. At this time, state-financed "social organizations" working closely with the Communist Party were created. The later years of communism, particularly following the 1956 revolution, meant a relaxation of control over civic society. The emerging voluntary organizations were not banned, although they were heavily regulated and persecuted. The rehabilitation of civic society started slowly before the final collapse of the communist system. For example, foundations reappeared in the Civil Code in 1987. The Law on Association was also enacted in 1989, guaranteeing the freedom of association and leading to an "associational boom." In the beginning of the 1990s, many small associations in small settlements (sport clubs, fire brigade associations) and youth organizations with a socialist political agenda disappeared, while more and more foundations and advocacy organizations were established, due to available tax benefits, the emergence of new entrepreneurial groups, and changes in the proprietary structure.[3]

1 Hungarian Central Statistical Office (2010).

2 The main steps of historical development of the third sector are based on: Kuti (1993).

3 More on the sector changes around the time of the political transition: Bocz (2010).

After Hungary's EU accession in 2004, Hungarian civic society first accessed EU funds in the 2004–2006 period under the National Development Plan program (5.1 billion EUR of overall support for Hungary, out of which 2.8 billion EUR was earmarked for structural and cohesional development). Later, in the EU's 2007–2013 financial planning period, funds were made available: first under the New Hungary Development Plan program; and later under the Szechenyi Plan (EUR 22.4 billion). The inclusion of civil society organizations within the provision of social services essentially developed with Hungary's EU accession and the availability of resources for development. The available EU funds created a new situation in the third sector, which will be presented in more detail later in this chapter. Between 2004 and 2006, CSOs in the field of education and social inclusion had the chance to apply for project funding under the Human Resources Development Operational Program, which aimed at fighting social exclusion, unemployment, and at supporting education and training. Under the New Hungary Development Plan, social inclusion and education grassroots and larger NGOs were primarily able to get funding under the Social Renewal Operational Program (with an overall budget of 4 billion EUR). Its objectives have been to improve the alignment of labor-market demand and supply, to promote adaptability to changes and life-long learning, to reduce regional differences, to strengthen social inclusion, and to promote equal opportunities.[4]

Third sector organizations are usually called non-profit organizations in Hungary (the association law describes foundations, public foundations, public law associations, public benefit companies, non-profit enterprises, voluntary mutual insurance funds and social enterprises). The Statistical Office focuses on non-profit organizations in its annual surveys, working with three types in its terminology: classical non-profit organizations (foundations and associations); advocacy organizations (trade unions, employers' organizations); and other non-profit organizations (public interest organizations). Institutions such as healthcare and museums, which are usually managed by local government and funded purely by the state, are not defined as non-profit organizations. Therefore, the statistics also omit volunteers active within these, as well as any informal volunteering.[5]

The most relevant regulation steps for the civic sector are the following:[6]

1997: one percent from personal income tax can be given to non-profit organizations, selected by taxpayers;

4 More information on the New Hungary Development Plan, its operational programs and action plans: www.nfu.hu/uj_magyarorszag_fejlesztesi_terv_2; More information on the National Development Plan: www.nfu.hu/nemzeti_fejlesztesi_terv

5 Hungarian Central Statistical Office (2008).

6 Kuti (2008), p. 13.

1998: non-profit organizations serving the public interest can apply for public-benefit and special public-benefit status (the public-benefit status becomes a condition for preferential tax treatment);

2004: institutionalization of public support to civic society organizations through the creation of the National Civil Fund;

2005: legal regulation of tax-free allowances to volunteers (the legal form of public-benefit companies is substituted by that of non-profit companies, limiting the individual donors' tax benefits). According to the 2005 Act LXXXVII[7] on voluntary activities, organizations hosting volunteers have to undergo a registration process and set up a contract with their volunteers in order to receive tax benefits. Only non-profit organizations with a public-benefit status are eligible for register with the competent Ministry. The law also determines tax-free allowances for volunteers: these have to be related to voluntary work and can include travel costs, accommodation, meals, training, insurance, etc. Per diems and bonuses are also tax free if their total does not exceed 10 per cent of the minimum wage. Because half of the NGOs registered do not have public-benefit status, this law does not cover the majority of NGOs and their volunteers.[8]

2007: a new type of non-profit organization appeared in the legislation: social enterprise, which is eligible for public-benefit status.

In 2009, 72,860 non-profit organizations existed according to a survey by the Hungarian Central Statistical Office.[9] Out of these, 66,145 were functioning in an official sense, which means that they were present in the Hungarian Central Statistical Office's register and did not terminate their operation during the time frame of the survey. The larger part of the civic sector is made up of classical non-profit organizations, associations (54%) and private foundations (33%). The proportion of non-profit companies and public foundations is three and two percent respectively, while professional, employers', and employees' advocacy organizations comprise six percent of civic society.

In one-fifth of Hungarian settlements—these are the smallest villages—there are no civic society organizations, or there is only one, registered. Most of the settlements have less than 10 CSOs operating in their territories. In only 76 settlements—with few exceptions, mainly cities—more than 100 CSOs are registered. Budapest has a central role

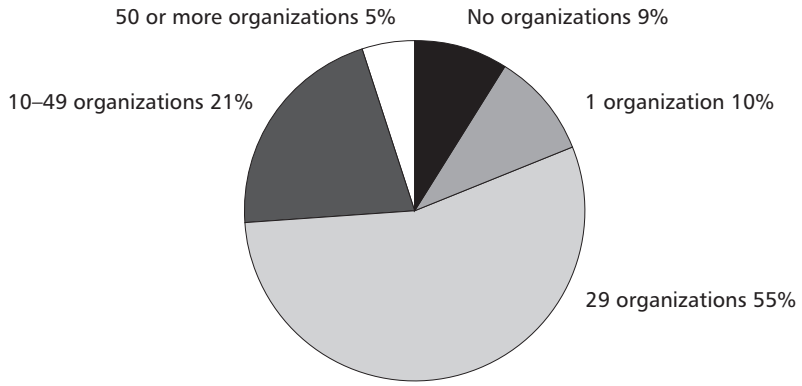
7 www.civil.info.hu/uploaded/documents/onkentes/1212746798vol_act_pub_int_2005_hu.pdf.

8 Study On Volunteering in the European Union (2010b).

9 All the statisics presented here draw on Hungarian Central Statistical Office (2011).

in the non-profit sector: the number of foundations is significantly higher in the capital than in other parts of the country.

Figure 1.
Overview of CSOs per number of registered organizations in settlements



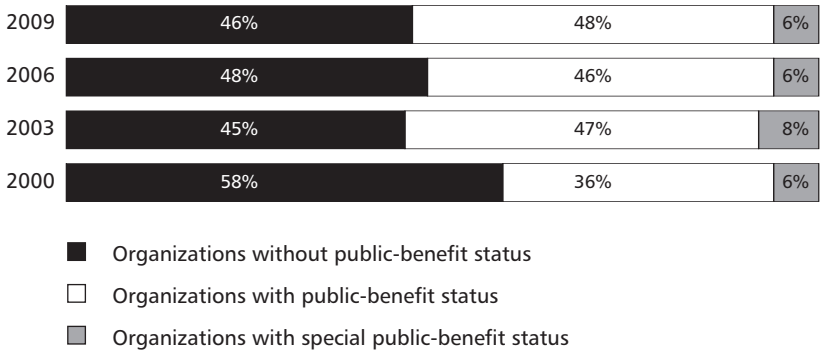
The presence of public law foundations is quite common in villages, given the fact that local municipalities have only been able to establish public law foundations since 1994. Many municipalities founded public law foundations to collect the one percent income tax support from tax payers in order to complement their budgetary resources. The distribution of associations correlates with the size of settlements (it is, so to speak, "settlement neutral"). Apart from the cities, larger villages are also important places for the civic associations. The majority of non-profit companies (52%) operate in Budapest and the main county cities. In 2009, every third CSO was registered in the central Hungarian region. The overall geographical picture of the Hungarian non-profit sector indicates that the CSOs are a lot more concentrated in the capital of the country and the counties in the Western part of Hungary (compared to the eastern and northern parts). This must be due to the varying historical and cultural traditions, economic growth and different settlement structure, the unsatisfied needs of inhabitants, and municipalities' willingness to cooperate with CSOs.

A total of 55 percent of the entire non-profit sector falls under four fields of activity: leisure and hobbies (17%), education (13%), sports (12%), and culture (12%). There are significant differences among different types of non-profit organization in every field of activity. The three major fields of activity with foundations are education (32%), social services (16%) and culture (14%); altogether 62 percent of private foundations belong to these three groups. Almost two thirds of non-profit *associations* can be categorized

under four activity fields: leisure and hobby (26%); sport associations (17%); professional, employers' and employees' advocacy (11%); and cultural associations (11%).

The public benefit status of non-profit organizations also shows an interesting picture: between 2000 and 2003, there was a surge of applications to become public-benefit or special public-benefit organizations. Those CSOs with a public-benefit status formed the majority in this period, but in subsequent years, the situation stabilized. Recently, the percentage of organizations with special public-benefit status has been around six percent, while CSOs with public benefit status constitute 46–48 percent of the civic sector. The mass acquisition of the public-benefit status was typical primarily among foundations and non-profit companies.[10]

Figure 2.
Frequency of CSOs per public-benefit status



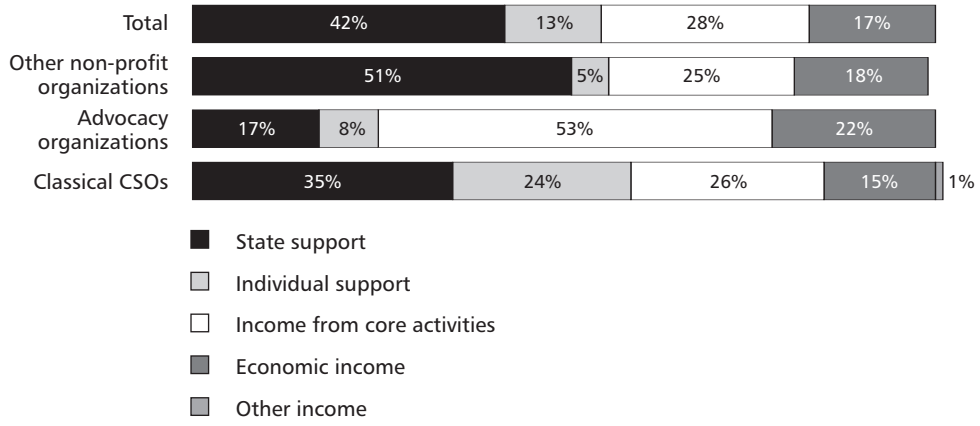
The geographical distribution of non-profit organization activities also becomes an important source of information. Two-thirds of the sector work at the settlement level, and thus contribute to the local well-being of citizens (the term "grassroots" can be used for their description); 15 percent carries out activities at the regional level, and one fifth reaches the national (or international) level. The field of activity of the majority of CSOs can be connected to a settlement or a neighborhood of a settlement, or to serving a specific institution or concrete objective. The best examples of this generation of local well-being are associations working in the fields of education, settlement development, public safety, etc. The regional level mainly consists of CSOs working for economic

10 As opposed to the sectorial average, 69 percent of foundations attained this status; seven percent also have the special public-benefit status. These two proportions are as follows in the case of public law foundations: 64 and 24 percent (in the case of non-profit companies, 62 and 21 percent).

development in multiple settlements, non-profit platforms, networks, and larger charity organizations. The latter can also operate at the national and/or international level, similar to cultural and research CSOs, advocacy and political non-profit organizations. The only type of the civic society that mainly operates at the national or international levels are research organizations (67%).

Regarding the economic background of non-profit organizations, we might also consider data from 2009. The majority of all income in the sector comes from the government or municipalities; individual financial support is quite marginal. The larger part of the state contribution is given to non-profit companies and public law foundations, in spite of the fact that they only give seven percent to the civic sector. In the case of "classical" CSOs, like foundations and associations, state support is only 35 percent of all incomes; 49 percent of all state support stays in the capital. It is remarkable that 44 percent of CSOs has an income of less than HUF 500,000 per annum, which equals approximately EUR 1,800.

Figure 3.
Income of non-profit organizations, 2009



2. Grassroots Relations with other Sectors

Given the size of the third sector, we can surmise that there are few organizations facilitating cooperation, knowledge, and experience sharing among NGOs in Hungary. The most relevant are the following.

The *National Volunteering Centre Foundation*. This is the main voluntary organization in Hungary. Its goal is to support voluntary activities in Hungary and organizations relying on volunteers. The Centre disseminates information, and provides consultation and training. Other aims include spreading and integrating the spirit of volunteerism across Hungarian society through activities performed in direct cooperation with private individuals, social organizations, institutions and enterprises.

The network of the *Civil Service Centers* provides professional and infrastructural services to the civic sector, aiming to improve the cooperation and development of various organizations. They provide advice and information, organize events and training sessions, and function as the regional volunteering center. The *NIOK Foundation* runs a brokerage service, a webpage and a database of voluntary organizations, and also has had several programs targeting organizations in the sector.

In the social inclusion field, the most significant umbrella organization is the Hungarian Anti-Poverty Network,[11] whereas in education (especially inclusive education), no specific umbrella or advocacy organization reaching out to grassroots organizations exists. However, there are several advocacy organizations, formal or informal coalitions and network-type organizations, which deal with various marginalized groups (people with disabilities, Roma, the elderly, etc.).

In 2004, the Hungarian government established the National Civil Fund, an autonomous governmental fund with the aim of providing a mechanism for institutional support to NGOs. The idea was to provide state support for NGO operational costs beyond the already existing percentage mechanism. Thus, the National Civil Fund supplements the mechanism of percentage allocation, in that the government matches the amount of funds designated to NGOs through the percentage system. Some 60 percent of the resources of the National Civil Fund are allocated to NGOs to support operational costs. In addition, funds from this source also support development programs (research, education, international representation). Elected NGO representatives are delegated to committees tasked with deciding on the distribution of funds. Specifically, the Fund is administered by a Council and a number of regionally based colleges. The Council is the strategic decision-maker, which sets priorities, distributes its resources among various purposes, and develops its other rules. It consists of 17 members (two representatives of the Parliamentary Committee on Civil Society; three representatives of the Ministry; and 12 representatives of civic society—five of which are elected from national organiza-

11 The Anti-Poverty Network participates in wider coalitions and lobbying activities, involves anti-poverty NGOs and people experiencing poverty in their activities, and facilitates the sharing of information and experience among NGOs.

tions working in various fields, and seven are elected on a regional basis). The colleges are the operative decision-makers, deciding on concrete grant proposals. They are organized both on a regional and a professional basis. Colleges have 5–11 members, the majority being selected from NGOs.

In the years following the transitional period, the system of communication and cooperation with NGOs has become more and more systematic across the government.[12] It started with the introduction of special departments dealing with NGO support in the ministries. In some of them (e.g. the social and employment ministry), special councils or working groups were also set up (with NGO participation) to advise the minister on professional issues and strategy development. First, in 1998, a Department for Civil Relations was established by the Prime Minister's Office. The Department was established by government decree, without participation from civic organizations in the process. However, its first leader was recruited from the NGO sector and thus, from the very beginning, the Department staff was aware and responsive to the needs and concerns of NGOs. The Department was responsible for initiating laws for the development of the third sector (e.g. in 2005, it was closely engaged in the drafting of the Volunteering Act) and facilitating dialogue with NGOs. Currently, the State Secretariat for Religious, Minority and Civil Relations deals with the planning and involvement of the civic sector, and the appointed under-secretary is responsible for the work of the secretariat.

In addition to the department/secretariat responsible for civic relations, every ministry has a contact office (or at least a person) responsible for liaising with CSOs. Regarding the parliament, a Parliamentary Committee for the Support of Civil Organizations existed from the early 1990s until 2006. It used to grant budget subsidies to national associations. With the institutionalization of the National Civil Fund, which overtook the grant giving role, this Committee took on responsibility for legislative policy concerning the sector. In 2006, however, it was merged with the Committee on Human Rights, Religion and Minorities, and has functioned in this structure since.

In 2005, the Parliament adopted the Law of Freedom of Electronic Information, which has been the most relevant legislation from the access to information and consultation point of view. This law obliges both national and local governmental bodies to make available online data of public interest. Such data, according to the Protection of Personal Data and the Publicity of Data of Public Interest (and also in accordance with some decisions of the Constitutional Court), include not only drafts of laws, but also concepts and other preparatory materials. The law details deadlines, methodology and procedures for

12 This part is based on Hadzi-Miceva (2007).

publishing such information and reacting to it to give feedback to the public. Further, there are some other mechanisms that depend on Ministry level regulations, such as the various Councils (elderly, youth, social, etc.), which also have their own procedures for the involvement of NGOs.

In recent years, NGOs have made successful efforts to influence legislation concerning the sector (e.g. in the case of the National Civil Fund, the Act on Public Interest Volunteering), and more and more results have also been seen in legislation in different fields (such as the environment, disabled rights or women's rights). The two sectors have also launched partnerships for providing public services (e.g. the Ministries of Health, Social Affairs and Family, Education, and Culture), and they have worked together on processes for determining direct and indirect (delegated) civic representation in European Union institutions. Finally, NGOs are also actively involved in working groups at the ministry level, and they sit on the bodies of the National Civil Fund.

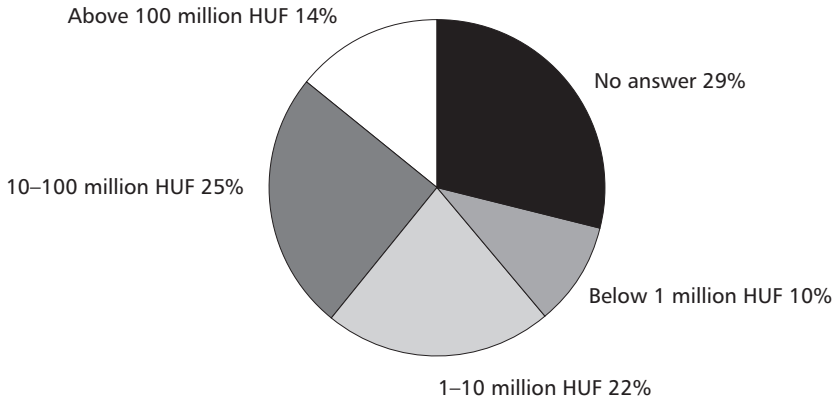
The effective law regulating public consultation is the 2010 Act CXXXI, which came into force on January 1st 2011. The act stipulates the public consultations which take place when ministerial drafts are issued. The main principles that should be taken into consideration describe that marginalized voices are heard, the consultation process is transparent, and all parties involved collaborate in the consultation process. The act distinguishes between general and direct consultation. General consultation is carried out online: the minister publishes the draft and comments can be made also online. The minister is responsible for compiling all the comments and the reasons for rejecting the opinions in a report, and for publishing it on the ministry's website. The direct consultation's aim is to build strategic partnerships between the minister and various entities named in the text of the act (CSOs, scientific organizations, churches, advocacy organizations, etc.). The terms of collaboration have to be laid down in an agreement and published on the website. If the minister decides to announce a consultation meeting, interested parties should be informed well in advance, according to the text of the Act.

The impact of private sector (corporate social responsibility, CSR) on the civic sector in Hungary has increased in the past couple of years; the larger companies apply strategic CSR planning, but stakeholder management is still not regarded highly. In a 2010 survey,[13] 69 companies provided data on their CSR activities out of the top 200 companies (the selection was based on their annual net revenues). More than 10 percent of the companies in the sample donate HUF 1 million to charity; 22 percent have a HUF 1–10 million CSR budget. Most of the companies (25%) devote HUF 10–100

13 Magyar AdományozóiFórum (2010).

million to charitable purposes. Only 14 percent of the sample earmarks more than HUF 100 million for corporate social responsibility. Usually, companies have a staff of 2–5 working on CSR and donations (45%). Half (50%) of the companies in the sample have independent strategies, while 38 percent suit these strategies to the multinational parent companies' guidelines.

Figure 4.
Overview of corporate donations



Another study[14] reveals that companies find CSOs the least important stakeholder group when planning CSR activities, whereas they consider employees and customers as the most important groups. As for corporate volunteering, the organized voluntary activities of companies are still much more popular than providing *pro bono* expertise for CSOs. In most cases, the companies communicate through their websites, but regular consultation with stakeholders (taking into consideration international guidelines and rules) is still a rarity.

A donation of one percent of personal income tax allows taxpayers to support CSOs on an annual basis. This opportunity for donation has become more and more popular among citizens in Hungary since 1997 when the law was enacted (the number of eligible donation declarations rose from 1,058,362 in 2007 to 1,806,323 in 2010).[15] The number of benefiting CSOs also doubled in the period 1997–2010; in 2010, 30,701 civic

14 B&P Braun &Partners Magyarország (2011).

15 www.apeh.hu/data/cms184025/2_melleklet_OGY_2010.pdf.

society organizations received support from taxpayers. Compared to the initial amount of HUF 2 billion, the total of donations was almost 10 billion HUF in 2010. The system creates competition among NGOs, thus contributes to increased professionalism, better communication, and improved image. However, if an organization is working on unpopular issues (inclusive education can be one of these), it hardly accesses the one percent from citizens' income tax.

Hungary provides tax deductions only for donations given to CSOs with a public-benefit status (PBOs). Businesses may deduct 150 percent of the amount of all donations up to 20 percent of pre-tax income if they donate to "prominent" PBOs which perform governmental services. For other PBOs, companies can deduct the whole amount of donations up to 20 percent of pre-tax income. Hungary also prescribes a combined aggregate limit of 25 percent of pre-tax income if the donor gives to both types of PBO. An individual may take a tax credit equal to 30 percent of the donation to a public-benefit organization or public interest commitment. The credit may not exceed 50,000 HUF (approximately EUR 200). In the case of donations to prominent public-benefit organizations, the tax credit is 30 percent of the donation, up to 100,000 HUF (approximately EUR 400). As of 2006, however, taxpayers above a certain level of income may not claim any tax benefits (including those relating to donations).

3. Contribution of Grassroots Organizations to Local Well-being

3.1 Challenges Identified during Event Discussions

During the project, three workshops were organized in Hungary with the participation of more than 30 grassroots organizations. The main topics of the events were the theory and practice of public consultations, the EU 2020 planning period of the European Union, and the notion of well-being. Participants at these events shared their experiences regarding the obstacles they face in sustaining their organizations' operations, and reaching out to marginalized communities. Besides discussing their challenges, they also came up with ideas and possible solutions as to how to reform the existing system in order to create a grassroots-friendly financing and cooperation environment.

The main identified obstacle that was mentioned by all participants was the funding schemes for grassroots, community-based organizations dealing with social inclusion and education for marginalized groups. The involved grassroots vary greatly in terms of funding: there are organizations that are funded almost exclusively from EU programs; there

are some which work on a completely voluntary basis with negligible annual income, and ones that try to match government/municipality and National Civil Fund grants to their activities. However, all the grassroots participants had the main concern that although they are working for public good with public benefits, their activities are either under-financed or financed in an unsystematic way that affects their continuous involvement with marginalized children and people living in poverty.

Regarding the current Szechenyi Plan (formerly the New Hungary Development Plan), participants discussed their concerns about the Societal Renewal Operational Program. Generally, they mentioned that policy documents describing the program's priorities were focused on objectives and operations that were too grandiose. Participants expressed that they quite often found them too elaborate and rather unrealistic, not building on work experiences with marginalized groups. Consequently, the set indicators were also seen to be impractical, putting a lot of pressure on project implementers.

Another general concern about the system of calls under this operational program is the perceived lack of coherent education policy in the background of the grant mechanisms for inclusion in education. Without having a strong vision and realistic development strategy, the distribution of monies for inclusion purposes may seem to be *ad hoc* and inefficient. The integration of development policy into education policy requires strong coordination mechanisms on the government side (especially between the competent development and education ministries), from the very beginning of the planning phase. Grassroots experience is that the development and education policy-making processes do not go hand in hand, and this leads to an inconsequent use of resources.

Another challenge faced by grassroots organizations in the current funding scheme is project-based funding. Most organizations in the project have been working for a long time with marginalized children and people in their communities, and they articulated that in this work, one cannot calculate with project periods of one or two years, since the target groups need long-term programs or consecutive projects for increasing their employability, improving their skills, or reducing their exclusion. The shortness of project cycles extremely affects education projects for marginalized groups; project implementers reported that they feel a constant pressure to come up with innovative ideas for tackling the very same problems, and cannot use the appropriate and already tested methodology for addressing community needs and bringing about social transformation, even if they have proven best practices. The system of long-term projects, which address community needs in a sustainable way, is lacking from the current planning of the system. The short-term projects that do not build upon the results of previous programs also prevent grassroots organizations from planning their activities strategically, involving their communities, and from assessing their constantly changing needs (a lot of the organization's capacity and resources are devoted to writing project applications and reports).

The administrative burdens that proposal writing and project management place on implementers were also often mentioned by participants as obstacles set by the present distribution of EU funds. The main talking points of discussion were the following.

The terminology of calls for proposals with its area and beneficiary codes itself might be complicated for grassroots practitioners; sometimes even navigation between various sub-calls can be difficult for those not familiar with the system.

The timing of calls for proposals can also have a negative impact on grassroots organizations' planning cycles. The timing of opening budgets for projects is not well-communicated, and the indicative timeframe might be modified after the timeline of calls has been announced, which results in the potential applicants not being able to suit these opportunities to their existing plans regarding capacity, resources, and availability. As a result of this, projects become unrealistic and "forced."

When a call is open, modifying the formal criteria of application (application form, content of annexes, additional required annexes, etc.) can also go unnoticed by inexperienced organizations, and thus it may not go through the first approval stage in the system.

The compilation of an entire application package also requires experience and expertise, which keeps the whole organization or the proposal writing team/staffer busy for a significant period of time, even if the primary criteria (type of organization, type of planned activity, field of activity, number and expertise of project staff, indicators, etc.) are not met.

The transparency of the selection process was also questioned by Hungarian participants. They formulated that the evaluation criteria in the guidance of the calls frequently dot not operate with clear and objective categories Further sub-criteria and clarity would be needed for a successful application and project.

A significant problem source is the often missing opportunity for submitting additional documentation once the application has been submitted. Along with the complicated formal criteria, this mechanism leads to increased frustration and decreased trust among applicants, and a larger number of unsuccessful applications.

Indicators in general can be unrealistic and hard to achieve; the proposed success ratio of training programs hardly allows any drop-out from training and education programs, which are otherwise common when working with marginalized groups and disadvantaged communities. Grassroots representatives suggested that indicators which are more qualitative than quantitative should be developed and used for measuring the success of a project among its beneficiaries.

The general indicators of sustainability and equal opportunities are quite often "overused," and therefore not valid in certain project types (e.g. a training project for Roma should not necessarily aim at reducing the water consumption of the old building that houses the training sessions). The use of these should be more call-specific, and the activities leading to increased sustainability and equal opportunities should be eligible for funding within the project. Also, further information, training, or awareness raising should be provided on realistic targeted outcomes or indicators, and on the methods of reaching and measuring them.

Although the deadlines are realistic in most cases, there are organizations which stated that they were asked over the phone or by email to provide additional reports and documents at quite short notice.

After the financial crisis hit Hungary, the integration projects for marginalized groups were badly affected by indicators which remained as high as they had been before the economic recession. Grassroots organizations expressed that indicators should reflect achievable goals in a given period of time, and they should follow socio-economic changes.
The "PR and communication" activities that project management have to carry out might also be too ambitious, not flexibly following any changes in media consumption. Participants expressed that they felt that (most of the time) they were required to ensure unnecessary promotion through ineffective channels of project results, just for the sake of promoting results without clear goals (e.g. promoting the project online for marginalized groups without Internet access).

The project frameworks rarely support sectorial or cross-sectorial cooperation projects, thus they do not support a holistic approach to community building and social inclusion, but create unnecessary competition among grassroots organizations.

The ways of project generation also seem to be sources for inefficient and unsuccessful projects. Potential project-implementing organizations are rarely consulted in the planning phase; their needs remain unassessed, even though they possess valuable knowledge of local needs, ideal project cycles, the community's preparedness for change, potential community involvement, etc. This leads us to the larger subject of consulting the public in Hungary. As in most post-socialist countries, the culture of dialogue between state and non-state actors and stakeholders does not have a long tradition or fully evolved practices. As stated earlier, the civic sector has been involved in the decision-making processes several times (drafting the Act on Volunteering, setting up the National Civil Fund, etc.) in Hungary. However, the practice of involving CSOs is not well applied when setting the priorities of operational programs of the EU funding mechanisms (for instance the EU 2020 process, one of the main topics of the project). When announcing public consultations on the website of the National Development Agency, the criteria

for making an application, the maximum budget and project duration, and the main supported and eligible activities, had already been decided, and there was little scope for negotiating terms. As a potential consequence, few ideas and little feedback was received online by the implementing body. One of the reasons for this is that uninformed civic society professionals are unaware of where their input would be needed, what details the consultation aims to crystallize, what the general objectives of the consultations are, etc.

Discussions at the events also revealed that grassroots organizations do not see themselves as major actors in the policy arena. They are formed to serve local needs, to adapt to the changes of the community, and to help it prosper. Therefore, they see their core activities as the ones that need their capacity. However, with the "project application boom," they try to sustain themselves by accessing EU or other funds, but in many cases, they fail due to a lack of expertise, time, experience, or capacity. When talking about consultation, most grassroots organizations expressed that they were negotiating with and trying to influence local institutions and authorities, since these fall within the geographical scope of their activities. However, when it comes to the Structural Funds level, rather than seek influencing priorities, they stay with monitoring calls, and fit their regular activities within the existing framework. The presence of grassroots organizations is also infrequent in "personal" public consultations. The reason for this might be that they are not on the radar of the authorities; on the other hand, grassroots organizations' lack of proactivity and preparedness on policy issues might also contribute to the under-representation of grassroots and community voices in public consultations.

3.2 Opportunities

The gathering of grassroots representatives represents a unique experience for participants, who have realized that they face similar problems, even if are working with different marginalized groups and in different locations. The present system does not allow local grassroots (informal groups, classical foundations and associations) to have their share from state budgets in the same proportion in which they are represented in the third sector. However, Structural Funds support could boost these organizations and contribute to community life, social inclusion, and quality education for disenfranchised groups, in marginalized settlements. In order to contact hard-to-reach groups and design programs for them, small settlements in the country have to be more systematically targeted: the conditions for granting grassroots organizations have to be changed. There can be several ways of creating a more just funding scheme for grassroots: reducing administrative burdens, lowering project support amounts, and creating a small grants funding scheme, building capacity of grassroots, etc. The key to laying the foundations for efficient education and social inclusion programs is the better and regular involvement of these small, community-based organizations in planning and policy-making.

Public consultation may take place in various forms: online, at the local, regional or national level, with the help of online solutions, in simulations, etc. Notwithstanding, the most important aspect is the quality of communication, and the active involvement of all parties. Grassroots organizations have suggested that before holding any consultation, decision-makers should negotiate the terms of this consultation, to define the framework for this process together with stakeholders. If this happens, consultation can attain a meaningful position in the collaboration processes between the state and civic sector, and more informed decisions can be made which increase the efficiency of policies and their generation of well-being.

For education and social inclusion organizations, it is crucial to see a framework for their activities in education policy and strategy. Again, this is an arena with a lot of emerging possibilities for dialogue, and for defining together what role education should play in decreasing societal differences between diverse classes and sub-groups. In addition, seeing civic society as policy implementers in the nuclear foundations of society (neighborhoods, villages, districts, school communities, etc.), which contribute to the general well-being of citizens, is a possibility not to be missed by government. Without listening to the voices of marginalized people amplified by those CSOs and grassroots organizations that are trying to increase their life-quality, policies cannot reach their maximum impact.

However, grassroots organizations' preparedness and willingness to participate in policy-level discussions also influences the quality of dialogue. In order to influence the priorities and implementation rules of EU co-financed projects, a strong voice has to be formed among various stakeholders, which are otherwise each other's competitors in EU granting schemes. A coalition—be it formal or informal—in inclusive education and social inclusion areas could represent the needs and opinions of people who are experiencing exclusion and belong to hard-to-reach groups.

4. Concluding Remarks, Perspectives and Policy Recommendations

From the discussions taking place at the Hungarian grassroots organization events, the following conclusions and recommendations can be formulated.

The importance of government commitment to support civic society: the role of CSOs and grassroots organizations in contributing to the well-being of the local communities has to be acknowledged by the state, and civic society development directions have to be made clear in strategic documents, after careful planning and consultation with stakeholders. The different needs of CSOs (which vary in size, location, income, activities and

staff) have to be met by different programming and supporting schemes, and have to be assessed and monitored on a regular basis. The division between civic and state tasks should be also clarified by the state, and this division should be based on the mutual understanding of citizens. Covering the operational costs of grassroots organizations is crucial in enabling them to increase the local well-being of a community. Therefore, providing operational sector support is a key factor needed for the development of civic society.

A strategic approach in funding: funding lines of state budgets and EU funds should follow specific education and inclusion policies and strategic priorities; plans for allocation of EU resources should only be made after deciding on strategic goals and assigned resources, with the involvement of the whole range of civic society, including grassroots organizations.

Ensuring diverse public funds for grassroots organizations: as many government authorities as possible should partner up with the third sector (including community-based organizations) and use their extensive expertise when planning and drafting policies. With EU support entering the Hungarian civic society, ministries should not cut back on the funding they provide to NGOs which are directly related to their fields.

The need to complement project-based funding with grants covering operational costs: government agencies and bodies should aim to create appropriate funding schemes for grassroots organizations, which would minimize administrative requirements and allow them to cover the costs of their basic activities, including overheads. Possibilities for project-based and operational support should complement each other.

Grassroots involvement in public consultations: the logistics of public consultations should be specifically regulated (detailing timeframes, information dissemination, involvement, needs assessment, feedback, availability, accessibility for people with special needs, etc.) with the involvement and consultation of civic society, and it should be ensured that efforts are made to have grassroots organizations represented among participants at consultations.

A strong voice and cooperation among grassroots organizations should be encouraged: platforms should be created where grassroots organizations can share experiences and formulate common reactions on proposed policies. The current grant-making schemes should also support cooperation projects to a larger extent, thus promoting cooperation, collaboration, and the mutual allocation of sources and resources.

Not having public-benefit status should not exclude grassroots organizations from public funds and benefits: some support should be provided to small grassroots organizations without

public-benefit status, which have less capacity to raise funds from international donors or individuals, and which contribute to the well-being of the community, but lack infrastructure and resources. Not having public-benefit status should not exclude organizations from receiving tax benefits for hosting volunteers. In addition, administrative burdens associated with officially hosting volunteers (book-keeping, data recording, etc.) should be lessened. However, non-PBOs not working for the public good (such as some mutual-benefit associations: winemakers, motocross organizations, etc.), should not be financed from public funds or taxpayers' contributions.

Chapter 6
Case Study: Latvia

By Aija Tuna (Education Development Center, Latvia)

1. Context of the Third Sector in Latvia

Civil society organizations in Latvia are regulated and protected by the constitution, the 1992 *Law Concerning Public Organizations and Their Associations*, and two subsequent laws on public organizations passed in 2003 and 2004. There have also been various middle- and long-term national programs outlining governmental duties in the strengthening of the civic society. In 2004, many activities happened at governmental level that shaped the CSO sector. The aim of the 2004 Law was to promote the activities of associations and foundations, and the long-term development thereof, as well as to facilitate the strengthening of democratic and civic society. With several subsequent amendments (including the currently open discussion on amendments) the law also regulates the guiding principles for the activity, the organizational structure, the liquidation, and the re-organization of associations and foundations. Among the significant legislation and policy documents, the following should be mentioned:

1) the Public Benefit Organization Law (which aims to promote those activities of associations and foundations which benefit the public, as well as those of religious organizations and institutions);
2) the "Integration of Society in Latvia" policy program;
3) the "Strengthening of Civil Society 2008–2012" policy program;
4) the strategic policy document: *Guidelines for the Policy of Strengthening of Civil Society 2005–2014*.

The tools emerging from the policy framework include: the requirement that there should be a contact person for CSOs in each ministry and parliamentary commission; that several ministries have established consultation councils between CSOs and civic servants; and the now common practice of CSO participation in working groups on the development and evaluation of policy documents and legal acts.

Generally, the legislative basis for ensuring CSO involvement with state administration in the Latvian context is considered to be favorable, although not perfect. There are still some

particular cases in which either the state institutions are too formal for NGO involvement in the processes, or that the CSOs themselves or the state institutions have insufficient capacity. In Latvia, cooperation at the highest level between CSOs and the state administration is ruled by a cooperation memorandum (signed by CSOs and the Cabinet of Ministers in 2005), which is supervised by a special council consisting of CSOs and representatives from state institutions. Cooperation with the *Saeima* (parliament) is ensured by "The Declaration on Development of Civic Society in Latvia and Cooperation with Non-governmental Organizations" adopted in 2006. In May 2007, in accordance with this declaration, the first forum involving CSOs and the Saeima was held. Through the participation of CSOs in meetings with state secretaries, a regular mechanism for facilitating decision-making has been established. Before these weekly meetings, CSOs are able to receive information concerning the announcement of draft laws, and can apply to provide their expertise. Ministries regularly invite CSOs to join working groups in the drafting of particular legislative initiatives.

The 1990s saw the significant development of CSOs in Latvia. CSOs had access to funds from such US-funded instruments as BAPF (Baltic American Partnership Foundation) and NED (the National Endowment for Democracy), from the Nordic states and Nordic Council of Ministers, from foundations in the Netherlands, and from various foreign embassies. The CSO sector in Latvia grew until 2006, when it entered a short period of relative stability. Since 2008, it has been in recession, as many CSOs have had to stop their activities due to a lack of financial resources.

Currently, there are over 10,000 Latvian CSOs acting as important players in different fields, and giving significant benefits to society as service providers, educators and advocates for public interests and rights. The role of civil society organizations in policy-making processes is also recognized by state authorities, due to the broad advocacy and participation activities.

Approximately 100 CSOs are regularly invited to participate in working groups and task forces in partnership with the public sector. The environment for the work of the civil society organizations in Latvia can generally be considered favorable; the legal framework is quite advanced, and legally there are no obstacles to freedom of association in the country. There are diverse possibilities for individuals and CSOs to engage in decision-making processes, at both the national and local levels. CSOs also have a good public image; media representatives consider CSO representatives to be professional, valuable experts, and independent information sources. However, the CSOs are facing some problems and challenges. Firstly, although there are CSOs performing efficiently in all sectors, only a small section of the society engages in their activities. Secondly, the most serious problem for Latvian CSOs is the lack of sustainable, long-term funding. After the country's accession to the European Union, foreign support for Latvian CSOs

has diminished, and organizations previously relying on external funders have had to find new sources of finance. Thirdly, there is a disparity in terms both of capacity and access to resources between stronger, larger CSOs, and smaller, recently established ones.

At the local level, a document regulating cooperation between CSOs and local governments has not yet been adopted. However, there have been many successful instances of collaboration with CSOs to pursue certain public goals. The participation of different interest groups in the early stages of the decision-making process makes it possible to reach a consensus, and avoid conflicting interests. Latvian legislation specifies opportunities for public participation, and procedures for public involvement in territorial development planning; in reality, though, involvement is frequently limited to a formal nature. This happens, on the one hand, because CSO and grassroots groups lack the information and skills for engagement; on the other hand, public administration does not have the capacity (or even willingness) to facilitate meaningful involvement and dialogue. According to a study from 2003,[1] rather than being involved in the planning processes, CSOs and grassroots groups "often engage in negative participation in the form of protests against decisions that have already been taken and their consequences." Meanwhile, the situation has been improving, and in general, the activities of Latvian CSOs are multiplying and are of better quality. Latvia's rating in the NGO Sustainability Index (NSI)[2] has remained constant during the last decade, with the highest rankings received for "advocacy," "legal achievement," and "infrastructure;" and the lowest scores assigned to "financial viability," and "public image."

The strategic policy document *Guidelines for the Policy of Strengthening of Civil Society 2005–2014,* approved by the Cabinet of Ministers, characterizes civic society in Latvia as being at the initial stage of its development. The policy program "Strengthening of Civil Society 2008–2012" clearly defines the interests of the state in developing a stronger civic sector. Many forms of cooperation at the grassroots level are employed for solving topical issues, such as working together to influence public policy decisions, and working towards achieving sustainability in the CSO sector. As mentioned earlier, a relatively small number of people are involved in CSO activities (approximately five percent of the population, of which, only about two percent are active). This is a result of the lack of financial resources, especially during the recent financial crisis, as well as a consequence of insufficient belief in the capacity and the benefits of civic society, and lack of such engagement traditions. Many people have to hold several jobs or work longer hours, and have limited time for CSO activities. If they want to join a CSO and make a living out of

1 Indriksone (2003).

2 www.freedomhouse.org/images/File/nit/2011/NIT-2011-Latvia.pdf

working with one, there is a high level of uncertainty regarding income, and few people enter into this as a profession.

In fact, the financial crisis has stimulated people to find new and diverse forms for self-support and mutual aid in and beyond their local communities. Several unregistered social networks have been developed, and have been active in recent years (for example, www.palidzi.lv and www.brivpratigais.lv). Yet, they are facing the same challenges: limited institutional capacity, limited access to funds, insufficient management knowledge and skills, etc.

In March 2011, the Market and Social Research Centre, Latvijas Fakti, conducted a public opinion survey about the civil society organization sector in Latvia.[3]

The themes of the survey included the following topics:

- participation in civic/social activities;
- evaluation of the possibilities of inhabitants to influence decision-making processes in Latvia;
- influence of different institutions and public groups on processes which take place in the country;
- trust in public and civil society organizations;
- friendliness of services provided by different institutions;
- participation in public groups/organizations;
- participation in volunteering activities;
- factors that would motivate volunteering;
- spheres of activities of civil society organizations;
- individual benefits from participation in public activities.

According to the results, over the last three years, 87.1 percent of Latvians surveyed have participated in civic or social activities. Publicly, the most active socio-demographic groups are women, youngsters, those from higher education backgrounds, those with a medium or high income level per family member on a monthly basis, and rural dwellers.

3 See: http://lsif.lv/files/pics/Atbalstitie_projekti/EEZ_Norv_fin_instr/LATVIJAS-FAKTI-Summary_en_final_27.04.2011.pdf

The most popular social groups/organizations that Latvians participate in are: similar interest groups, such as choirs and dance groups (16.9 percent); parishioners (13.6 percent); trade unions (9.5 percent). Among the most important individual benefits resulting from participation in such activities, respondents have identified the following: spending time in a useful manner (mentioned by 29.6 percent of all respondents); improving the general feeling of comfort (25.5 percent); establishing new contacts (25.4 percent); obtaining useful information (20.7 percent); and acquiring skills/professional improvement (15.4 percent).

Throughout the last year, 13.6 percent of Latvian inhabitants surveyed have acted as volunteers. Most often, volunteer duties have involved working for social events. Those respondents who were members of a civil society organization were, usually, also involved in a voluntary movement (in 28.4 percent of cases).

According to the survey, Latvian society is rather skeptical of the ability of local communities and civil society organizations to influence the law-making and decision-making process in the country: only 15.3 percent of those surveyed believe that the decision-making process in Latvia can be influenced in this way. In fact, the majority of survey participants (72 percent) believe the opposite.

The survey results also reveal four spheres of activity in which CSOs could play an important role in achieving qualitative changes: environmental protection; quality and accessibility of social services; protection of human rights, and the development of the regional community.

In the first part of 2011, a study was released with the support of EEA Grants and Norway Grants funding schemes, and from the Latvian state.[4] The goal of this research was to provide an overview of the CSO sector in Latvia, as well as to gather and analyze data on CSO characteristics, scope for action, external and internal factors influencing CSO activities, and streams of funding. Based on these data, the aim was to identify the main tendencies for the CSO sector for 2009/2010. According to the results, after joining the EU, the number of activities in the non-profit sector has increased: in February 2011, 13,284 CSOs were registered, 62 percent of which were established after 2004. There are several reasons for such growth;

1) the changes in legal regulations in 2004 (from January 2005, the legal form of civil society organizations was abolished and, as a result, most of the organizations previously listed as such re-registered as associations or foundations);

4 The full text of the study can be found at: www.biss.soc.lv/downloads/resources/SIF_Parskats_par_NVO_sektoru_Latvija.pdf

2) the accessibility of EU funding for various activities (for example, people who have created small groups for sports, cultural or other similar-interest activities registered as CSOs in order to access EU funds); in addition, other EU programs, such as LEADER, have required a local municipality and a civil society organization to create a joint organization;

3) the increased capacity of the CSO sector to engage in dialogue with decision-makers, following the involvement of a number of coalitions and platforms;

4) the prominent participation of CSOs in certain spheres of activities, such as social services, mainly in connection with the economic recession and the lack, or poor quality of public services;

5) the expansion of real estate management and its development, with a view to accessing EU resources for the improvement of the housing fund;

6) a high number of interest and leisure groups have established themselves as CSOs in order to manage legal and financial obligations with public or private suppliers (renting of premises, paying state taxes, etc.).

Almost half (46 percent) of Latvian CSOs are registered in the capital, Riga, some of which work nationwide and/or have regional branches. In 2009, 20 percent of all registered CSOs were involved in economic activities, providing services for which they charged a fee. At the same time, 24 percent of these were registered to pay VAT, which meant that their income from economic activities exceeded 10,000 LVL during a 12-month period.

There are still many issues that should be solved in order to support effective activities in the CSO sector. Recently, there have been amendments discussed for changing the above-mentioned Law, but many experts from the CSO sector are not satisfied with the proposed modifications. In late July 2011, the Latvian Civic Alliance initiated a survey on this, among different civil society organizations. According to the information published in the Civil Alliance newsletter on August 12, 2011, CSOs have expressed many objections against the proposed amendments. For example, 83 percent of respondents are strongly against the proposal to take out of the Law a clause about voluntary work; 88 percent emphasized that the Law should include an opportunity for CSOs to mention other regulations in their statutes regarding the activities of associations and foundations; 83 percent believe that the Law has to include detailed information about the principles and operations of the CSO, as in the current Law, etc. The survey also revealed the most typical challenges that organizations are faced with on a regular basis: the burdensome activity of the State Treasury (31 percent); the difficult application process for obtaining the status of a public benefit organization (29 percent); the cumbersome operations with the State Revenue Service (29 percent), etc. At the same time, 62 percent of respondents

agree that legal entities such as associations and foundations should follow the requirements enshrined in the present legislation (such as submitting an Annual Report, giving notice about changes in statutes; setting up boards to the Enterprise Register, etc.).

There are active discussions about the status and operation, as well as the very concept of "volunteerism" in society. While there is no available data about voluntary work in Latvia, the EU Year of Volunteers was believed to have been a challenge for Latvia (according to media reports). As recognized in 2010 by the Policy Coordination department of the Ministry of Education and Science, there should be a *support system* for voluntary work.[5] The development of such a system would include the need to:

- agree on the core understanding, concept and content framework of voluntary work;
- adjust the relevant legislation concerning the meaning and the organization of voluntary work;
- develop a special register to gather data about voluntary work;
- develop a database with information about vacancies/opportunities for voluntary work;
- raise the status of voluntary work and the general understanding of it at the level of Latvian society;
- define support from state and municipalities for voluntary work in planning documents.

Significant developments along these lines have taken place in the last year. The "Brīvprātīgais.lv" (Volunteer.lv) association, which coordinates voluntary activities, offers information on their website about opportunities to start voluntary work, and accepts expressions of interest from potential volunteers; www.esilabs.lv is another website where information about voluntary work can be found (job vacancies, good examples, success stories, etc.). Other models of cooperation are emerging in Latvia. In the summer of 2011, the Riga branch of the State Employment Agency initiated a call for associations and foundations (in the CSO sector) to participate in the "Support to voluntary work" project. By taking part in this, support has been provided for unemployed young people and young people with disabilities, who may receive a monthly stipend of 40 lats and 60 lats, respectively, from the State Employment Agency by working in a civil society organization five days a week, between four and eight hours a day.

5 Information can be found at: www.lm.gov.lv

2. Grassroots Relations with Other Sectors

The data from a recently conducted study show that 94 percent of CSOs cooperate (more or less) with other CSOs, but regular cooperation has been mentioned by only 29 percent of CSOs, mostly those with paid staff, higher incomes, and operating at least at the regional level. Organizations that have been set up as associations, alliances and networks, are directly focused on such cooperation. Typical examples are: Civic Alliance—Latvia, the Red Cross, the Rural Forum, the Latvian Chamber of Commerce and Industry. The main tasks of these organizations consist of cooperation and coordination of activities. However, other CSOs, in many cases, perceive each other as competitors in their expertise areas, which is why they tend not to cooperate consistently in preparing joint grant proposals, or in solving financial matters. According to the same study, those CSOs that are not part of any network most often face difficulties in getting support or consultations for their activities. There used to be CSO resource centers in all regions of Latvia, but some of these are no longer functioning, thus generating limitations to the access and exchange of information.

When CSOs cooperate, they mostly do so within the framework of the activities initiated by one organization, or jointly. Cooperation happens naturally when organizations share premises, and there are people who are involved in several organizations at the same time. Networks and/or coordinating organizations promote the sharing of information, expressing opinions, legislative changes reactions towards policy issues, etc. Most often, common tasks within joint projects and the need for support to solve different problems are the primary instances that bring together local CSOs with smaller ones. Apart for being eager to learn about the experiences of other organizations during seminars, workshops, and conferences, these CSOs are not as active in maintaining active communication, partially because they are busy with their main work.

Another difficulty which hinders cooperation is the development of a certain vertical hierarchy within the CSO sector. On the one hand, organizations of different sizes and scopes of activity do not collaborate as equal partners; larger and more experienced CSOs sometimes tend to disassociate themselves from smaller and less experienced ones. On the other hand, smaller CSOs are rarely interested in participating in formal networks, as they have limited capacity to handle the tasks needed within such a partnership. In what concerns relations with the public sector, the data from the recent survey indicate that 88 percent of CSOs cooperate with local municipalities, albeit in a rather narrow direction. Firstly, in many cases, local authorities are a vital source of funding for CSOs (including in-kind help, such as freely offering premises for public events, or office space for the CSO itself). Secondly, municipalities assist with the organization of public events (by supporting information distribution, providing and coordinating volunteers, etc.).

During project discussions, many CSO representatives confirmed that personal contacts are extremely important for cooperation with municipalities; however, such support is much more likely to manifest itself at events and initiatives that are in line with the interests and the opinions of decision-makers.

As for cooperation with the national public entities, 66 percent of CSOs in the sample mentioned some form of cooperation with ministries or their agencies' and 41 percent of these identified cooperation with members of Parliament (the Saeima). Nevertheless, the level of such forms of cooperation is rather low and its character remains occasional. The main type of cooperation is participation in working groups and consultative committees during the development and discussion of strategic planning documents, or changes to legislation in certain areas/sectors. In such situations, government representatives invite CSOs to provide more accurate information about the needs and interests of the targeted group, as well as to help predict how policy changes might affect the well-being of that group. Working together also includes the delegation of certain functions to the CSO sector (e.g., in the social sphere, in international collaborations, etc.). However, concerning smaller and more specialized CSOs, state representatives seem to lack sufficient information about third-sector activities, and even the very existence of some CSOs in certain areas. Officials are usually aware of larger CSOs, which are more visible in the public space; therefore these are the only ones which get invited to public events and discussions. Smaller CSOs need to put more time and effort into developing a relationship with different governmental agencies. Quite often, there is cooperation with only one ministry, that which is the most relevant to the CSO's areas of activity. More personal and functional relationships become developed among CSO representatives and officials from governmental agencies or ministries.

According to CSO representatives, difficulties in creating a more productive cooperation with the public sector result from recent policy changes as a reaction to the economic crisis in Latvia; smaller CSOs complain of the considerable time commitment needed to follow parliament's and the government's agendas, and they cannot prioritize this over the hands-on practical work they are engaged in. This is why better cooperation, with a view to exchanging information within the CSO sector, would be very beneficial, especially for smaller CSOs.

Moreover, even if CSOs are invited to take part in discussions on certain issues, their opinions are not always taken into account; sometimes, this is caused by political considerations, while other times, this is because there was not enough time to prepare a fully fledged opinion statement for participating in public debates. This is associated with the feeling that the state sector expects CSO expertise to be presented under the same form

as the documents prepared by researchers or high-level consultants (but in a much short time frame, and free of charge).[6]

Relations with the private sector take place at the local/regional level, as well as at state level. Some of the most interesting examples are the activities of the *Kopienas iniciatīvu fonds* (Latvian Community Initiatives Foundation, or LCIF) and regional funds, such as *Valmieras Novada fonds, Apes un Alūksnes Novada fonds*, etc. The LCIF aims to attract funds from individual donors, business companies, the public sector, and other sources, to support and educate civil society organizations in the field of social welfare, health care, and education in the regions of Latvia by promoting community initiatives. *A community initiative* is a type of activity proposed at the local level with the goal of improving the well-being of people in the area. Such an initiative develops from the cooperation of a voluntary organization with the local government and local businesses. Only CSOs registered and working in the regions of Latvia in the field of social welfare, health care, and education are entitled to apply for funding available though LCIF programs or actions. In order to assess the projects submitted for this type of support, and in order to make relevant grant decisions, sustainable cooperation with local authorities and the involvement of the local population represent essential aspects of the evaluation process, prior to grant allocation. LCIF, which has the status of public benefit organization,[7] is known for its positive attitude towards application submission, consultancy and assistance during the process of project preparation, as well as during its implementation.

3. Contribution of Grassroots Organizations to Local Well-being

3.1 Challenges Identified during Event Discussions

As part of the "Grassroots Europe for Local Wellbeing" project in Latvia, two national and five regional discussion sessions were organized with the participation of very different stakeholders. Participants came from: small, local initiative groups; CSOs from different activity fields; regional CSO centers and coordination centers for activities of civic participation; educational establishments (schools and preschools); municipal rep-

6 For an overview of financing of CSOs in Latvia, up-to-date and comprehensive information can be found in the above-mentioned study carried out by the BISS: :www.biss.soc.lv/downloads/resources/SIF_Parskats_par_NVO_sektoru_Latvija.pdf

7 More information can be found at: www.iniciativa.lv/en

resentatives; entrepreneurs, representatives of religious groups. Participants were selected taking into account the following aspects: (1) regional representation from different parts of Latvia; (2) grassroots organizations that had been involved in recent initiatives (such as "Change Opportunities for Schools," implemented by the Soros Foundation–Latvia; citizenship education, intercultural, and education development projects from the Education Development Center); (3) education and inclusion as main areas of activities; (4) experience in building partnerships with local decision-makers and entrepreneurs. It was also emphasized that those invited would be expected to disseminate information about the project, its themes and goals, among their local communities.

The main goal of this was to promote discussion among different stakeholders within local communities on the topics of well-being, civic participation, and cooperation at all levels, from a local, national and European perspective. The EU 2020 Strategy was used as a framework for the discussion, together with the stated goals and objectives included in the National Action Plan. For the latter, participants devoted most attention to three main factors for increasing well-being and social cohesion in their communities: reduction of poverty, promoting life-long learning, and providing social support and services.

General Impression and Evaluation of EU 2020, and Related National Documents

The *Grassroots Europe for Local Wellbeing* project contributed significantly to raising awareness and promoting discussion of EU 2020 Strategy both at the national and local level. Prior to this, very few efforts had focused on this topic. Thus, CSOs, even very active ones, and municipality representatives who were responsible for cooperation with the CSO sector, had very limited knowledge about the EU 2020 process in Latvia. After becoming better acquainted with the documents presented, participants considered that set targets were quite broad, and their value would in fact be determined by the direction and quality of the specific plans developed and implemented at the national level. Of note, it was stressed that concern for the individual and his/her well-being diminishes at the national level, where reference is made rather to numbers and ambitious goals, without reflecting sufficiently on local needs and the specific situations of different people.

Some of the characterizations of the situation included the following thoughts: "too much strategy, too little action;" "this is the reaction to the crises, why didn't we learn from history?;" "new goals, if the same existing methods for their implementation will be used, may leave us in the same situation we're in now;" "the plans are too big and too elaborate to be successful;" "in order to achieve change, it's people who have to become more active, civil society has to become more active;" "education and poverty reduction is up to us, we have to make sure that programs for employability are more effective;" "we must seek our own ways to get involved;" "it is important to make sure that differences

in opportunities between cities and rural areas are addressed;" "strategies are needed, but it's us who have to take on responsibility."

Generally, there was a high level of interest and readiness shown by participants in regards to engaging with the process. At the same time, the need to raise the capacity and to strengthen the profile of local initiatives was also made explicit. It was mentioned that many good ideas and initiatives based on real needs do not get presented and implemented because there is some hesitation to take on responsibility, and because the know-how is missing. As summarized by one of the participants, it seems that "we are looking for Mr. or Ms. Somebody, as so many discussions conclude with *we need somebody*, *somebody should do this*, etc."

The role of education was approached by discussing the responsibility of local schools in improving the situation, and in promoting the sustainable development of the community. Additionally, it was underlined that there is a stringent need to redefine the very concept of education and to implement the principle of life-long learning in everyday life, as this has a direct influence on the employability and the well-being of individuals and communities. Further discussion was built around the agreement that there should be an emphasis on promoting human development through community-based and needs-based life-long learning opportunities, and that can be accomplished through expanding the functions of the local school (by regarding it as a community resource). According to the participants, this can be achieved though a holistic approach to education and development, by which activities oriented towards greater social cohesion, economic activity/employability, cultural diversity and sensitivity, environmental awareness, the well-being of individuals and communities, and education and development are closely linked and supportive of each other. In order to achieve this, one crucial task is capacity building at the level of local change agents (providing support for them, offering know-how for the re-profiling of schools, building close links with all the stakeholders in the community, revisiting available resources and their usage, and the ways in which additional resources can be drawn together for meaningful and holistic activities).

Moreover, the concept of the school community was employed to describe one of the alternatives for improving cooperation at the local level. This was based on the recognition that the starting point for such initiatives should be the formation of a partnership, joint efforts from all stakeholders, with the school and the municipality as central actors. The school can thus become a place where needs meet services, and new opportunities are developed. The school community promotes:

- the development and learning of all children;
- strong partnerships with families;

- life-long learning for all community members;
- informal education as a crucial part of one's upbringing in modern times;
- participation in decision-making and sharing responsibility;
- creativity and entrepreneurship that leads to higher employability and well-being.

In what concerns the role of grassroots organizations in local well-being, several dimensions and priority questions were summarized and addressed during the national event in May 2011:

- how to promote a sense of belonging within one's own community, one's own state and Europe;
- how to promote participation (involvement) in the activities/life of the local community and the state;
- deciding what knowledge is needed in order to make the understanding of civic participation deeper and more meaningful;
- identifying the skills needed in order to convert understanding/knowledge about civic participation into action;
- how to make achievements visible (to deliver the message) for local, national and EU decision-makers, and for society in general;
- identifying the resources which are already employed to achieve good results, the additional opportunities around them, and what partnerships can be formed;
- deciding what has to be done to make sure that decision-makers listen to CSOs and grassroots organizations;
- how to express appreciation for participation in common work for the well-being of the community.

Apart from these, several topical policy issues were discussed in the meetings held in Latvia:

- reforming legislation on voluntary work;
- models of funding at the municipal and national levels;
- the effectiveness of the consultation process with CSOs at the national level.

In order to raise the level of local well-being, the following suggestions were made in each of the discussions throughout the country:

- local municipalities have to cooperate more closely with CSOs and grassroots groups and the initiative has to be made by both sides;
- employees in public offices should be able to speak not only English, but also Russian, in order to meet the needs of the local population;
- more work is needed to achieve a higher participation in a life-long learning event; the opportunities to engage in life-long learning activities in rural areas largely depend on the accessibility of public transportation;
- no functional approach to retraining unemployed people has been adopted yet; current offers for retraining are not based on real needs and are often not connected with reality; at the same time, local schools and CSOs are not involved in providing such services, or they lack the capacity to make relevant offers in this direction;
- national development plans and plans for regional development are rather disconnected; the relevant public administration offices do not exchange information and do not cooperate in such activities and tasks; the same happens at the CSO level and, in turn, this leads to the ineffective use of already scarce resources.

In the Latvian discussions, several messages were expressed, such as "we have to get back to the holistic approach to community needs; people are divided into *target groups*, a family is divided into *different target groups*, and there is very little support available for common interests and activities;" "grassroots organizations and CSOs have to prove that our contribution is professional and useful, that it is good idea to buy services from us;" "the CSO umbrella organizations and task forces have to represent the common interest, instead of lobbying for their own needs," "there is no need for every small CSO to think about how to influence policy-making, CSOs have to cooperate and coordinate their activities," "life-long learning opportunities are important at every age and for each person; awareness and supply are not sufficient," etc. The Latvian Rural Forum and the Latvian Rural network were mentioned as positive examples of network organizations; the "Change Opportunities for Schools" initiative of the Soros Foundation–Latvia was regarded as a successful example and a source of information and learning for local schools, CSOs, and municipalities.

Further debates focused around the needs of the local people and how well CSOs, initiative groups or local actors know these needs. The most common answers were: job stability, information, motivation programs, self-initiative, good communication skills, access to education and training at all ages, encouragement from outside, etc. It was agreed that CSOs play an important role in meeting local needs, yet people themselves also have to take responsibility for their own well-being, through participation and speaking up. In

order for this to happen, a sense of belonging has to be developed, there should be a place for people to meet and to engage in activities. Besides, specific knowledge and skills are needed for individuals to be able to participate in different events, to learn, to increase their employability potential. For this, the role of education, through life-long learning, is crucial.

During the grassroots discussions, special attention was devoted to the participation of the CSOs and local initiative groups in the decision-making process around local well-being. Participants in the discussions shared ideas on different methods of participation that they had been employing, and their experiences and challenges in using certain means to influence outcomes. Overall, participation in different working groups takes place everywhere across the country, but there is no firm belief that it provides results, and that it significantly influences decisions.

Some of the most frequently used methods and challenges that grassroots organization participants mentioned are presented below.

Participation in consultative and/or working groups:

- the participation of the local/CSO representatives is frequently only a formality, it does not influence final decisions;
- the process is slow;
- it is difficult to find competent people to participate in such events;
- while representing certain target groups, the links with and feedback from the group can sometimes be lost;
- the members of the working groups have different understandings, different needs and values, and therefore it is difficult to reach an agreement.

Participation in focus groups and roundtables:

- it is technically difficult to organize such events;
- the opinions expressed are not always respected or further promoted;
- the results depend on the involvement and influence of the participants;
- the participants have different understandings about the processes;
- there are difficulties in involving decision-makers (politicians) in such events and to stimulate their interest;
- there are difficulties in agreeing on decisions and on further action.

Participants emphasized that this form of participation should be followed by pursuing the activities that had been discussed throughout the meeting.

Studies, surveys, reports:

- are time consuming, expensive, and require a heavy workload;
- results can be interpreted in different ways.
- are not always followed by action.

Forum of local inhabitants (town hall meetings):

- if the forum is not professionally moderated, it can turn into a market discussion;
- it requires a long preparatory period;
- a lot of effort should be devoted to pursuing activities, to making use of the results;
- the most difficult task is to motivate local people to attend such an event and to share their ideas.

Campaigns:

- significant resources, including financial resources, are needed;
- not many people are responsive, only a part of the local people actively engages;
- it is impossible to predict results.

In general, campaigns were seen as a useful form of participation. For an insight into why people are sometimes reluctant to participate actively in decision-making, several aspects were underlined: "there are traditions of staying aside;" "there is fear that we will say something too radical;" "we know what is needed, ourselves, and there is no need for long talks;" "this is just an additional unnecessary burden;" "everybody protects their own, narrow interests;" "members of smaller groups are not heard anyway;" "lack of resources, too busy;" "lack of professionalism;" "divided opinions;" "lack of readiness to take on responsibilities when the decision would be made," etc.

Participants agreed that, at the local level, it is easier to engage into meaningful activities and to make some changes; however, this may also depend very much on personal relationships. At the national level, it is much more difficult to be involved in the discussions and decision-making; there is limited information about the events and also a limited capacity of the grassroots organizations to be present when discussions take place.

It seems that most of the grassroots organizations that participated in the project rather see their role and contribution in terms of achieving more specific, hands-on goals at the local level. They are not fully interested or skilled enough to participate in policy discussions and decision-making processes at the national level. At the same time, they are aware that this attitude entails difficulties in promoting the interests of the communities they serve (in many cases, the most vulnerable groups of the community) and their own interests as organizations. It was concluded that more cooperation and better coordination of resources and tasks at the local level would allow them to not only be more efficient in what they do, but also to be present and make their voice be heard at different decision-making levels.

Throughout the discussions, participants asked about what could be done to make sure that the participation of CSOs in decision-making goes beyond being a formality. It was emphasized that "a well-developed mechanism is needed in order to engage the real representatives of civil society;" "the authorities should be persuaded that it makes sense to involve people in problem solving;" "CSOs have to 'build their muscles', increase their knowledge, their debating and presentation skills, as well as their ability to communicate with people;" "achievements should be made visible when presenting challenges, achievements should also be mentioned, for example when communicating with Brussels;" "we have to go back to explaining what the role of the CSOs is in society, CSOs have to go through some sort of recovery process;" "it is important to make sure that communication takes place not between official X and CSO Y, but between a person and a person; we have to learn to communicate at the human level."

Several main cross-cutting issues were identified during the events organized as part of the "Grassroots for Europe" project:

1) A need to improve cooperation at all levels, including the local and community levels. In many cases, it turned out that local schools, CSOs, enterprises, the municipality, and the general public do not adopt an integrated approach and work separately, which leads to an ineffective utilization of existing resources, overlaps and/or gaps in providing services, unnecessary competition among actors, etc. Unfortunately, CSOs are not always active in paying sufficient attention to finding and involving more partners in their activities, or in consolidating their efforts within the community. They mainly see entrepreneurs as donors, not as community members who can provide different types of support, and can engage in joint activities. It was surprising to discover during the first national discussion that many CSO participants and municipality representatives already knew each other despite working in different parts of the country; but people coming from the same geographic area and working in different sectors had not met before. This situation occurs due to the fact that most events usually take place at the sectoral level, but do not expand

beyond that. The participants in our discussions found such mixed meetings very beneficial and expressed their interest in continuing cooperation. There is a growing number of activities at the community level where diverse representatives of the community are involved, and this project raised awareness about this issue.

As it emerged from the debates, there is the unanimous understanding that local schools have great potential, and have many resources for the local community; however, they are not utilized in the best way possible. The experience gained within the "Change Opportunities for Schools" initiative was mentioned many times as a successful example of a coordinated and successful intervention at the community level, which contributed to the social cohesion and sustainable development of the community.[8]

2) There is a need to extend and improve communication between different actors. The CSOs are very dedicated and active, but they need to improve their skills to develop and sustain communication, deliver clear messages, and propose constructive and sustainable solution instead of problem statements, etc. This weakness in the NGO arena makes any type of cooperation with other sectors more difficult, resulting in attracting less support (including financial support) from different sources, including the general public, and being less successful in advocacy and policy-level activities.

3) The ability to plan and act with a systemic, long-term vision. It turns out that, in many cases, the project thinking and the approach are dominant. The CSOs are usually busy looking for funds, implementing project activities or doing regular work for their organization, and do not pay sufficient attention to how their activities fit into the larger system or longer term development, and how they can cooperate with other groups and sectors. This may be partially generated by the expectations of donors and by the way in which funding streams are organized (in a rather narrow and specific way). Both municipality and CSO representatives highlighted that sector-focused thinking and planning dominates territorial thinking and planning.

   Difficulties in sustaining good initiatives were also mentioned, in particular with regards to having enough time to conduct a pilot study, adapting and disseminating information, or just continuing to provide necessary services. It was emphasized several times that "donors always want to hear about new projects, new ideas, new programs, etc.," so CSOs keep reformulating and reshaping their activities, which sometimes leads to confusion (not only for the community they serve, but also for the organization itself).

8 More information can be found at www.parmainuskolas.lv.

3.2 Opportunities

During discussions of EU 2020 and the National Action Plan, participants shared their experiences about the activities they had implemented, and about the services they were providing in their communities in order to achieve the goals included in these documents. Many stories of best practices were shared.[9] According to participants, such meetings enable and encourage learning of different ideas and opinions, as well as help develop new contacts and find potential partners for future activities. Despite the novelty of the term "well-being," significant experience has already been gained on how to work towards the improvement of local well-being (e.g. by involving volunteers, attracting different funding sources, etc.). Informative support has been provided by media, especially local media, as well as by several websites (such as www.ziedot.lv and others).

Concerning the role of the CSOs, community initiatives and grassroots groups in advancing well-being at the local level, participants expressed several action-oriented thoughts, such as "we think too much about yesterday and are afraid to think about tomorrow. Each person has to have the feeling that we are part of Europe, even if we live in the far away countryside. People come together in CSOs to enjoy being together;" "we love our fellow citizens, our senior neighbors, for example, and we work in order to improve the well-being of ourselves and of others;" "we do not wait for leaders to do something for us, we get together and start working;" "also as a municipality employee, one can do a lot if (s)he does not wait from others to have the initiative;" "person-to-person communication is the most important;" "well-being only develops if every person participates in its development;" "we develop our cooperation networks ourselves, we are a 'success shop' for any person who comes through our door."

During each event, the participants introduced their own activities and their organizations and shared their achievements and strengths. Some of the examples included the following descriptions:

- "we know our people and their needs and are good at finding ways how to help them";
- "we know how to work together with different people";
- "we organize events for retired people, we fight for justice and for our rights";
- "I work in the social service and people trust me, this is important;"
- "we have been heard and have used various opportunities to participate";
- "we are always able to find tasks that are based on the needs of people and we know how to do something with nothing";

9 These documents will be available through the website of the Education Development Center.

- "the quality of our activities is our trademark";
- "we have the courage to express a different opinion if necessary";
- "we know how to listen to people and we are ready to cooperate";
- "we have the ability to change, to find flexible solutions, to understand the real situation and to generate new ideas."

The best examples and experiences from the works of the CSOs were shared in more detail in order to unfold the main topics and areas of activities they are involved in. In many cases, good examples were followed by suggestions of how things can and should be improved. Some of them include the ones below.

- The ability to find and to involve local and regional opinion leaders in activities, people who have already achieved something, and have been able to bring about some positive change.
- The experience of helping unemployed people return to the job market after a long time without having a job is crucial especially in rural areas; ideas were exchanged on how to motivate people, how to "help them find where they are" and support their return to the job market; CSO intervention[10] is more sensitive to their needs and, as a result, is more successful than formal education activities or the initiatives of business companies.
- The need for the community (all groups in the community) to come together and agree on strategic development; *local fora,* town hall meetings (*iedzīvotāju forumi*) were considered a successful form for gathering opinions and starting a debate.
- The need to find the pace of the changing world and to realize what it means for each one of us; EU 2020 strategy refers to innovations, automatizations, etc. (Does this lead to a decrease in the number of available jobs? How can CSOs help people to understand and to act in the new changing world?)

The groups presented their vision of the coordination of local resources for the benefit of the community and of the ways in which cooperation with decision-makers can take place. The principle idea following the discussions was that the school can become a multifunctional center and work in very close cooperation with CSOs and other local grassroots groups, as they have access to many people and can coordinate the delivery of the following services: education and training; vocational education and professional development; cultural education (arts, crafts, etc.); sports; health protection and the

10 The schools from the "Change Opportunities for Schools" initiative were sharing their experience in using the school as a resource for retraining and for motivation programs.

promotion of a healthy lifestyle; the collection and dissemination of information, etc. These activities can take place with the support of the municipality, local entrepreneurs, volunteers, etc.

In the view of participants, if the EU 2020 strategy is implemented from the bottom up, several positive outcomes would be brought about at the grassroots level in terms of well-being:

- more convenient access for people to the places where services are provided and activities take place (funding goes where it is needed, people receive what they need);
- an important learning process takes place, both knowledge and skills are acquired and attitudes and sustainable tendencies start to form;
- general health improves, as there are more opportunities for preventive measures, more awareness on how to take care of health, etc;
- social skills improve (people are better equipped to look for help, for support and for solutions in different situations);
- better opportunities for quality services and leisure activities;
- learning how to share (both tangible and intangible things).

In developing an approach towards being and working together to meet the needs and to enjoy a sense of belonging, two main related challenges still lie ahead: increasing the participation of different groups of people in local activities; encouraging people not to wait for benefits and help, but to engage in shaping their own lives.

4. Concluding Remarks, Perspectives and Policy Recommendations

In order to promote improvement of well-being and life quality at the local level, more attention should be placed on the following areas of grassroots activities, as identified by the CSO and local authority representatives that took part in the discussions:

1) life-long learning opportunities, professional development and further education opportunities;
2) promoting and facilitating the development of and involvement in the job market;
3) participation in civic and social life.

Some specific suggestions for activities in these areas included the following.

1) Life-long learning opportunities, professional development and further education opportunities:
    - raising self-esteem and motivation;
    - acquiring new skills (in IT, foreign languages, crafts, and specific employment skills);
    - creative workshops, training sessions, thematic groups (gardening, environment, local history, healthy food, etc);
    - master classes (transferring one's skills and knowledge);
    - "crisis schools" (transferring basic economic knowledge, etc.).
2) Promotion and facilitation of the development of and involvement in the job market:
    - promotion and support for home industries (production) through exhibitions, markets, etc.;
    - courses on market management, accounting, etc (skills to move from learning to producing and then to selling);
    - practices in the local businesses (getting to know jobs and opportunities);
    - development of the tourist industry and services;
    - creation of new, need-based services and businesses (babysitting, assistance to people with disabilities, family assistance, shopping services, etc.).
3) Participation in civic and social life:
    - discussions about issues that are topical for the community and the state;
    - forums for local inhabitants;
    - charity actions (exchange of things, markets, concerts, etc.);
    - improvement of the public environment, working together (talks);
    - development of thematic groups (fishing, young parents, sports, art, etc.);
    - volunteering;
    - support and assistance to senior citizens and other vulnerable groups.

In order for CSOs and grassroots groups to achieve results and provide services for a better quality of life, close partnerships with local authorities and other stakeholders in the community (entrepreneurs, religious groups, etc.) are needed. It is also important to

recognize every contribution and to appreciate it (through articles in the local press, letters, greetings, awards, etc). Also, it is crucial that news about accomplishments are made visible and delivered at the local, national and EU levels.

It was concluded that there are an impressive amount of good practices and achievements in Latvia. However, there are also challenges and obstacles. For the latter, the participants referred to the following issues that have to be addressed:

- lack of cooperation at all levels;
- destructive competition at all levels;
- insufficient flow of information.

In order to improve the situation, several suggestions were made.

- *Systemic support to the activities of grassroots organizations and CSOs is needed from the state.* That includes changes in the legislation (state grants or earmarked subsidies, tax reduction for donations and sponsorship, regulations for income-generating activities, etc.).
- *At the municipal level, specific long-term plans* should be developed for a better quality of life, with special emphasis on vulnerable groups. In developing such plans, local communities should be consulted; there should be a system in place to support (financially as well) grassroots organizations in providing services at the local level, as their contribution is often the most flexible and feasible. Holistic programs addressing diverse stakeholders in the community result in higher degrees of involvement, and trust and should be promoted, even if the funding comes from different sources.
- Mechanisms should be developed for the *dissemination of achievements and good practices* from the grassroots initiatives, and *their mainstreaming across the country.* Many good initiatives are not given enough time to become sustainable, or are not able to continue without the support of the state or of the municipality. The balance between supporting new initiatives and sustainability should be addressed seriously by donors and funders. Also, sufficient time has to be given for the initiatives, based on the acknowledgement that it is not enough "to train" local people; it is crucial to provide time and opportunities and to encourage people to reflect, provide feedback, share, internalize, and develop a sense of ownership for new ideas and activities.

In order to provide adequate support to each member of the community, and in particular to the most vulnerable, a shared vision and accountability mechanism should be in place for the *committed community stakeholders***,** supported by relevant policies, coordina-

tion of resources, and relevant administrative measures at the national level. This would be based on sustaining a holistic, functional, needs-based education system. For the role of the grassroots organizations in promoting local well-being to be strengthened, it is necessary to establish clear and visible links among formal education and life-long learning ideas and their implementation at the community level; to apply an interdisciplinary, inter-sectoral, and cooperative approach to build synergies and use resources in the most effective way, and to agree on the high priority of community development, and the special role that education plays in it.

Chapter 7
Case Study: Romania

By Andreea Suciu (Public Policy Centre, Romania)

1. Context of the Third Sector in Romania

Civic society in Romania was developed after the Revolution in December 1989. Due to constant criticism from the civic society and the new government's communist reflexes, during those first years, the civic sector was perceived as an enemy of political power. After parliamentary and presidential elections in 1992, relations between civic society and the government have improved. The non-governmental sector has undergone an impressive dynamic evolution since 1989. From 13,000 organizations registered in 1996, the sector reached over 44,000 organizations in 1999[1] and over 53,000 in 2008. According to the latest reports conducted by Civil Society Development Foundation, there are more than 62,000 organizations registered in Romania, of which more than 21,000 are active organizations.[2] The formally constituted organizations take one of the four main legal forms set by the Government Ordinance 26/2005: association, foundation, union or federation. Apart from these, there are other legal forms, such as cooperatives, trade unions and political parties, which expand the Romanian NGO sector. According to Civil Society Development Foundation, in Romania[3] 71 percent of registered NGOs compose associations; 27 percent are foundations; a remaining two percent is equally shared between federations and unions. Also, the vast majority of non-government organizations are located in urban areas (87%).

Differences between organizations which are active in rural areas and those active in urban areas are also very significant. Some of them emerge from complex procedures that need to be followed in order to register a civic society organization, while some arise from activities that need to be carried out afterwards. Despite this important number of CSOs, some organizations only exist on paper or have only periodic activities. Overall, the sector is still low in visibility and represents an unknown actor at the community level.

1 Baican and Duma (1999), pp. 1–2.

2 Civil Society Development Foundation (2011).

3 *Ibid*.

Education and social services are two of the most important functions of Romanian CSOs. They organize professional training courses; they create universities that operate as non-governmental organizations; they provide or manage social services; they also organize cultural or sports events. In respect to financial resources in 2008, NGOs had total assets of RON 8,213,926,246 and in the same fiscal year, they registered incomes of RON 5,339,855,854 (about EUR 1.25 billion). For the period 2006–2008, one can find a constant increase of assets and incomes in the non-governmental sector (the increase of assets being more accentuated than from other incomes). In 2008, 26.66 percent of organizations had not registered any income for the concerned fiscal year; 66.58 percent of organizations either had no income or had incomes lower than RON 40,000.[4] The same study identifies that financial resources of two thirds of the non-governmental organizations are low and very low, which limits their action capacity.

An increasing role of civic society in democratic construction and in Romania's integration process represented an important source for financing some extensive programs. The developed programs were aiming to help the development of civic society organizations, and to increase their capacity to develop sustainable partnerships.

First were the pre-accession programs (PHARE programs). During 1994–2005, the civic society organizations active in democracy, social services, and human-rights fields were supported through PHARE Access, and those active in European integration field through PHARE Europa. These activity fields benefited from annual programs amounting between one and 10 million euros. These funds covered different time periods and had different objectives. From 1993 to 1999, efforts were made to consolidate the CSO sector through institutional development, improve the activity framework, and develop some resource centers for CSOs. However, in subsequent programs, the focus was more on the action capacity of the external environment. The central objective of the Phare Democracy Program was to promote the application of democratic principles and procedures in various spheres of society. Through it, 223 projects were financed with a total value of EUR 1.8 million. These funds have "promoted democracy, rule of law, through political training and transfer" of know-how. The Phare Lien Program encouraged citizen initiatives and the improvement and development of CSOs' capacity to operate in the social sector. It supported activities such as the reintegration of marginalized groups and disadvantaged groups, retraining programs and health protection. Through it, 162 projects were financed with a total value of EUR 1.3 million. The PHARE Partnership Programme (PPP) was a small-scale program established to support civic society development and institution-building with NGOs. The objective of the program was related to

4 *Ibid*.

promoting sustainable and integrated local development, and help CSOs promote local socio-economic development, through partnerships and networking. Thus, 19 projects with a total value of EUR 140,000 were financed.

The second period was between 1999 and 2003**.** PHARE EIDHR (the European Initiative for Democracy and Human Rights) aimed to support human rights and democratization activities that were carried out primarily in partnership with NGOs and international organizations. The annual basis of the program was around EUR 100 million. From 2002 to 2004, EIDHR concentrated its support on a number of focus countries and thematic priorities. The fight against racism and xenophobia and the promotion of people belonging to minorities was one of the priorities identified. Regional projects were funded in South Eastern Europe and the New Independent States (NIS). Within this context, Roma communities have received particular attention. Since 1999, when EIDHR started in Romania, grants were offered for 18 projects, with a total value of EUR 415,650. In respect to that, special consideration must be made regarding the micro-projects facility that was managed up to 2000 by the Commission Delegations in candidate countries in Central and Eastern Europe. This scheme has allowed many grassroots projects in favor of Roma minorities to be financed. These useful and mostly successful projects were initiated and implemented by local civic society organizations, including Roma CSOs.

The ACCESS Programme, which replaced PHARE Lien and Partnership PHARE, focused on strengthening the civic society. The ACCESS aims were:

- to promote the implementation of the *acquis communautaire* in policy areas where governmental activities were absent or were complementary to those in the third sector;
- to encourage the inclusion and participation of individuals and groups who were at risk of being economically, socially or politically isolated in the transformation process;
- to support non-governmental organizations in creating sustainable transnational or inter-regional partnerships, and to allow NGOs from candidate countries to get involved in the activities of European-wide NGO platforms and networks.

The Civil Society Programs' primary focus was on strengthening and widening the capacity and range of action and involvement of the CSO sector in society, political transformation at the national and local levels, and on creating a sustainable framework for the role of CSOs in the development of civic society. In relation to that, the Phare program could be regarded as a key tool in pre-accession strategy (playing afterwards an essential role in the accession process). Its focus changed and evolved over time, starting

from its origin as an essentially demand-driven support to the process of transition, and becoming, in parallel with the pre-accession strategy, a fully accession-driven instrument.

Although there was diversity in the assisted areas, it is possible to conclude that in Romania, this assistance was mainly targeted towards: the social care of children, adults and the elderly; information and information services; CSO training and capacity building activities; environmental protection, human rights, and minority issues. Also in 2000, Phare's financial support for projects in favor of the Roma increased substantially. Phare 2000 supported capacity-building projects to help the sustainability of Roma organizations working to improve the economic and social conditions of the Roma (EUR 1 million from a EUR 5 million civic society project in favor of the CSO sector). Phare 2001 provided EUR 7 million for a minority groups' education project, focusing particularly on Roma. The project focused on improving pre-school education, and preventing school drop-out, as well as on improving second chances for education for persons that had not completed their compulsory school education. In Romania, the 2006 Phare program was the final one, followed by a one-year allocation for the Transition Facility.

After Romania joined the European Union, the availability of funding opportunities for civic society organizations has widened. CSOs became eligible for direct access to some EU funds, which undoubtedly represented a positive developmental feature, despite the fact that this still raises a number of issues that need to be carefully assessed. Taking part for the first time in the full cycle of a multi-annual financial framework, a shift occurred in the environment in which CSOs operate in Romania. The Operational Programs and the Key Area of Intervention where CSOs are eligible applicants, are the following: the Sectoral Operational Program Human Resources Development (SOP HRD, Operational Program Administrative Capacity Development (OP ACD); the Sectoral Operational Program Environment (SOP ENV); and the Regional Operational Program (ROP).

The Government Ordinance 26/2000, which was substantially amended in 2005 by Law 246/2005, represents the main legislative framework in prescribing conditions necessary for the registration, organization and functioning of associations, foundations and/or federations. The Ordinance replaced the Marzescu Law on Associations and Foundations, established in 1924, which represented a legal basis for incorporating newly created non-governmental organizations. In order to secure the better functioning of civic society organizations, the Ordinance 26/2000 was completed by a series of other laws and/or regulations:

- *Law 32/1994 (Law on Sponsorship)* regulates procedures and conditions under which sponsorships can be provided (the law was modified with amendments in 1997, 1998, 1999, 2001 and 2006);

- *Law 195/2001 (Law on Volunteering)*, amended in 2002 and 2006, sets the basic rules for the relationship between the volunteer, the organization, and the beneficiary of the voluntary activity;
- *Government Decision 1024/2004* establishes the methodology for accrediting social-service providers. This accreditation is necessary for non-governmental organizations receiving public support for the provision of social services. The decision also contains evaluating items related to the involvement of volunteers in the provision of social services. National reports show that following this law, volunteering in social services has increased, and particular attention has been paid towards the quality of voluntary involvement in social-services provision.[5]
- *Order 2017/2005 of the Ministry of Public Finance* regulates the possibility for individuals to redirect two percent of their income tax towards their own choice of not-for-profit entity. At first, the beneficiaries of the two percent law were associations and foundations, but the list has been extended to include churches and schools, thus minimizing the amounts that associations and foundations can receive.
- *Government Decision 1317/2005* regulates the involvement of volunteers in home-care services for the elderly, provided either by public or not-for-profit entities.
- *Order 439/2002 of the Ministry of Environment* regulates the organization and functioning of the Environmental Guard Volunteer Corps (special volunteer corps established in conjunction with the Environmental Guard, a public institution with responsibilities related to environment protection).
- *Government Decision 1579/2005***,** in regard to approving the statutes of voluntary personnel within emergency services, was amended through several ordinances, decisions and laws in 2005, 2007, and 2008. This provision regulates the existence of voluntary intervention teams in all local areas where there are no professional civil-protection services. This mostly includes small cities and rural communities. According to "specialty reports" in practice, there are several problems with the functioning of voluntary intervention teams, since the law does not specify the obligations of employers in allowing volunteers to take part in training sessions or intervention during working hours.[6]
- *Law 350/2005* (on funding from the public budget for not-for-profit activities of general interest).

5 Rigman (2011), pp. 49–84.

6 *Ibid*.

Through Governmental Ordinance 26/2000 and Law 571 concerning the "Tax Code," the *public utility status* was introduced into the legal framework in 2003. Conditions which CSOs need to fulfill in order to receive the public-utility status were introduced in 2003 through Governmental Ordinance 34/2003. At the end of 2009, there were 105 CSOs that had received this status in Romania.

As shown, the legislative framework regulating not-for-profit organizations has undergone severe changes. At the same time, we have focused mainly on regulations that influence the activities of grassroots organizations. Unfortunately, for them these procedures are considered excessive. A complex judicial procedure brings an excess of procedures and control of legality for an action which, by its civic character, should be available to any citizen, and is simple enough to be fulfilled by any interested party.

Although volunteering in Romania has developed in recent years, it is still an insufficiently and inefficiently promoted and used resource. According to organizations that work with volunteers, many things are yet to be done in order to elevate volunteering to desirable levels. The Romanian Law on Volunteering was adopted in 2001 and amended in 2006. It defines volunteering as: "an activity of public interest, undertaken out of free will by a person aiming at helping others, without being motivated by financial or material gains."[7] Dealing with the issue of exact volunteer numbers[8] in Romania, it can be argued that no accurate data are available. A study on Volunteering in the European Union conducted by GHK, containing key findings in respect to the voluntary sector in the EU, indicates that the level of volunteering in Romania is relatively low.[9] Focusing on the past decade, data show that volunteering in Romania underwent a modest increase from 9.5 percent in 1999 to 12.8 percent in 2008.

7 Law 339 of July 17, 2006, for the amendment and completion of the Law of Volunteerism 195/2001. Available at: www.cdep.ro/pls/legis/legis_pck.htp_act_text?idt=74382 (last accessed 06.08.2011).

8 Because there are no accurate data available on the total number of volunteers in Romania, useful sources of secondary data are: the European Values Survey; the Public Opinion Barometer of the Open Society Foundation; a database collected by the Civil Society Development Foundation (CSDF); data collected by the Association for Governmental Strategies and the Association for Community Relations. Also, it is very important to highlight that sampling in the Public Opinion Barometer and the European Values Survey include the adult population aged over 18, so unfortunately volunteers aged under 18 are not counted.

9 We have to mention that the scales used in the report for classification were: *very high* in Austria, the Netherlands, Sweden and the UK (over 40 percent of adults being involved voluntary activities); *high* in Denmark, Finland, Germany and Luxembourg (30–39 percent of adults involved in volunteering); *relatively low* in Belgium, Cyprus, the Czech Republic, Ireland, Malta, Poland, Portugal, Slovakia, Romania, Slovenia and Spain (10–19 percent of adults are involved in voluntary activities); and *low* in Bulgaria, Greece, Italy and Lithuania (less than 10 percent of adults are involved in voluntary activities).

Even though the law obliges host organizations to keep evidence of their volunteers, absence of complete figures on the number of volunteers at the national level is still an issue. This is caused by the fact that all host organizations do not sign volunteering contracts with their volunteers.

The Romanian Country Report,[10] developed as part of the Study of Volunteering in the European Union, shows the following percentages:

2008: 12.8 percent (approximately 1.7 million)[11] (2008 European Values Survey);[12]

2007: 5.8 percent (approximately 810,000) (Barometer of Public Opinion, CFDSC);[13]

2004: 7 percent participated regularly in voluntary activities and 25 percent did so sometimes or often. (Civil Society Development Foundation);[14]

2002: 8 percent (approximately 1.1 million) (ARC and Allavida);[15]

1999: 9.5 percent (approximately 1.3 million).[16]

According to the 2008 European Values Study, more than half of Romanian volunteers (54%) undertook unpaid work for only one organization. A significantly lower proportion (23%) volunteered for more than one non-profit organization at a time.[17] The rate of volunteering per group age is low, and even decreases with age. Most volunteer activities are carried out in informal settings such as church groups (16.7% of volunteers), neighborhood groups, parents' committees, or other groups/informal associations organized around school institutions. In geographical terms, the greatest numbers of volunteers tend to come from either very small communities or from larger cities. More specifically, the results of the 2008 European Values Survey illustrate that 18 percent of the local adult population in the smallest towns, and 17 percent of inhabitants living in larger cities (with a population between 100,000 and 199,000 inhabitants) are involved

10 Study of Volunteering in the European Union (2010d), p. 3.

11 The estimation is based on the total adult population (15–65), which was roughly 14,029,837 (approximately 65 percent of the total population in Romania).

12 The Research Institute for Quality of Life (2009).

13 Soros Foundation–Romania (2007).

14 Civil Society Development Foundation (2011).

15 Associations for Community Relations (2003), p. 3.

16 European Values Survey (1999).

17 *Ibid*.

in volunteering. Inhabitants in medium-sized cities are less likely to undertake voluntary work (approximately 8%). According to the same survey source, a total of 12.2 percent of the urban population and 13.4 percent of the rural population are involved in voluntary activities.[18]

Although there are valuable sources of secondary data for establishing the number of volunteers in Romania, it is still necessary to develop a national system of counting volunteer numbers. Despite the usefulness of secondary data, persons aged below 18 are not always included in sampling procedures. Moreover, these surveys are based on auto-evaluation and no other objective measurements of volunteering are provided. Development of the national register of volunteering contracts could present a solution to this.

2. Grassroots Relations with Other Sectors

Institutionalized cooperation between civic society organizations in Romania is lacking. There are only a small number of umbrella organizations whose existence could enhance dialogue and collaboration between CSOs. Formal federations which already exist work in the fields of child protection (ProChild Federation), the environment, student associations, and international development. In respect to the volunteering field, a National Network of Volunteer Centers currently aims to facilitate the exchange of information and good practices, and to support the development of joint national projects in order to promote and develop volunteering. The network started in 2001 with only four members, leading to 14 members in 2009.

In 2010 Pro Vobis National Volunteer Centre established the VOLUM Federation as a national umbrella organization for volunteer centers and volunteer-involving organizations. The Federation's aim was to act as a national representation structure for volunteering, to achieve support and recognition for volunteering, to set up a code of conduct and good practice for volunteer involvement, and to implement nationwide projects aimed at achieving proper recognition for volunteering at all levels within society. The Federation was established with 25 founding members, and now comprises 37 full members. The priorities of the VOLUM Federation include the successful implementation of the European Year of Volunteering 2011 in Romania, and the initiation of the participatory process to develop and implement a long-term strategy for the support and development of volunteering in Romania.[19]

18 *Ibid*.

19 Rigman (2011), p. 72.

At least two quite well-known platforms that are affiliated with European structures exist in Romania: the Romanian Federation for the Development of Non-governmental Organizations (a member of CONCORD); the European NGO Confederation for Development; and the National Anti-Poverty and Social Inclusion Network (a member of the European Anti-Poverty Network).

On the subject of networking, some grassroots representatives stated that their organizations work with other organizations while developing specific projects and exchanging good practices. Other organizations mention not being in collaboration with other organizations. The following quotes are from grassroots organization representatives.

> "We have worked with other CSOs because we believe that, in partnership, we can reach our prime goal: helping the most vulnerable groups."
>
> "We are permanently developing partnerships with different CSOs for addressing specific youth-related issues."
>
> "We have not been involved in partnerships with other CSOs. We meet at different events, but we do not collaborate very often."

Simultaneously, useful blogs from where CSO can collect information on the subjects of communications, marketing and technology, have been developed. At the national, regional and local levels, resource centers have been developed in recent years, aiming to support development, and provide services for civic society organizations. Such centers organize events for CSOs, develop useful information materials and provide information and training. They may function as legal entities, or as programs or projects developed by an organization. Unfortunately these centers are not known among the grassroots organizations themselves, and their relative number does not match the organizations' needs.

The Civil Society Development Foundation has developed a website[20] from where civic society organizations can access daily information. The website represents a useful resource of current information that facilitates the development of partnerships between civic society, business, citizens, and public institutions. Also, the website provides useful and updated information in the field of CSR, news about projects, events and training courses run by CSOs, public and private financing, and other financing opportunities. The Public Policy Center has also developed a continuously updated website, with new opportunities for public consultation at the European, national and local levels in respect to the elaboration of policies related to public financing schemes for CSOs.[21]

20 www.stiriong.ro

21 www.cenpo.ro/studiu_finantari_ONG.

Focusing more specifically on the relationship between grassroots organizations and the public sector, three distinctive aspects of that relationship may be discerned: financing, partnership and collaboration. The financial relationship is an institutionalized one, and is established based on the rules of funding given by public authorities. The development of this type of relationship determines the shift from CSOs' role as providing supplementary and complementary services, to providing social services under formal contracts issued by local or central authorities. In terms of possibilities for CSOs to be funded by government bodies, there are several ways to do so, through subsidies, grants, and contracts. Subsidies are forms of financial support from the state budget, covering the direct costs of occasional services. The subsidies are fixed amounts for each beneficiary, and are granted proportionally with the number of beneficiaries. Grants represent financial support for CSOs in carrying out public-interest activities closely linked to the organization's mission. The beneficiary organization must co-finance the project (or service) from sources other than the grant. Grants are awarded based on calls for participation and after following an evaluation process. Grants can be received from local levels or by central authorities.[22] Contracts represent a form of funding for CSOs that provide services for public authorities based on a contract and on a specific amount. The contract conditions are established by public authorities, and the contracting process is based on a bidding procedure which is open to all accredited private providers of social services. Concerning indirect instruments that are meant to support the CSOs, these mainly represent tax incentives, but they have no important effect over the development of the CSO sector. At the local level, there is a possibility for CSOs to receive in-kind support from local authorities, such as rent discounts or exemptions, office space or equipment (e.g. telephone lines, office furniture), construction sites for such institutions as orphanages, hospitals or religious facilities, and free building permits.

In order to regulate collaboration between grassroots organizations and the public sector, in 2005, the College for the Consultation of the Associations and Foundations (Government decision 618/2005) was established. In this college, 40 CSO representatives were appointed. The College aim is to "facilitate communication and to assure the involvement of associations and foundations in implementing government policies at all decision-making levels" and to "develop partnership between government and the CSO sector and to strengthen participatory democracy in Romania."

22 The central authorities that have granted funds in Romania are: the Ministry of Labor, Family and Social Protection; the National Authority for Persons with Disabilities; the Department of Inter-ethnic Relations; the Department of Relations with Romanians from Everywhere; the Agency for Governmental Strategies; the National Youth Authority and the National Agency for Supporting Youth Initiatives; the Student Support Agency; the Environmental Administration Fund; the National Cultural Administration Fund.

The development of two very important laws contribute to the promotion of governance reform: Law 544/2001 regarding public access to information, and Law 52/2003 on transparency in the decision-making process, the *raison d'être* of which lies mainly in stimulating active participation. Also in 2005, development of a specific package of secondary legislation represented an important step in recognizing the role of civic society in the development and implementation of public policies.[23] Within these regulations, civic society represents "the consulted actor for designating versions—a step in the public policies process which generates technical possibilities for solving a certain issue by special units with the assistance of civic society." According to Government Decision (H.G.) 775/2005 (concerning elaboration, monitoring and evaluation procedures for central public policies) public policy proposals cannot be submitted unless they "contain an evidence of consultations along with achieved results" at the level of the identification stage for possible methods with governmental institutions, non-governmental institutions, social partners and the private sector. Also, CSOs representatives are members with full rights in numerous management or advisory boards, such as: the Monitoring Committees for Operational Programs; the National Council for Equal Opportunities; the National Council for Combating Discrimination; the Superior Council of Magistrates; the National Council of Senior Citizens; the National Agency for Integrity. These bodies have important roles in developing public policies in specific areas.

There is no interest from government in developing a systematic approach to support the CSO sector. In the past, various government approaches were *ad hoc* and characterized by fragmentation, which happened because of pressure from CSOs or because the European Union specifically asked for CSOs to be involved. Currently, the collaboration between CSOs and government has stagnated; there is public discourse concerning the need to support this sector. A current government program makes vague references to the role of civic society and makes general references to the need to strengthen the partnership with CSOs in areas such as environmental protection, culture, and child protection.[24]

Finally, in respect to partnership relations, one can find occasional partnerships between CSOs and the public sector. Even though grassroots organizations are more close to the

23 Here we refer to: Government Decision (H.G.) 870/2006 regarding the approval of the Strategy for the Improvement of the system for the elaboration, cooperation and planning of public policies for central public administration; Government Decision (H.G.) 50/2005 for the Approval of the Regulation concerning government procedures for the elaboration, promulgation and presentation of normative projects; Government Decision (H.G.) 750/2005 concerning the establishment of permanent inter-ministerial councils and Government Decision (H.G.) 775/2005 for the approval of the Regulation concerning the elaboration, monitoring and evaluation procedures for central public policies.

24 Published in *Monitorul Oficial al României*, 907, 23.12.2009.

community, and relations with the local authorities should be stronger, in reality this is not the case. Grassroots representatives have stated that most of the time, partnerships are based on human relations between them and the employees of the public authorities. The disadvantage of this type of relationship is that when a person is not working there anymore, the link with the local authority must be developed all over again.

Corporate social responsibility is a recent concept, brought in to Romania by multinational corporations. Although registered as a significant sign of progress in recent years, corporate social responsibility actions remain undeveloped. Development of this type of business behavior can have a major potential for the future development and support of grassroots organizations. For example, the most important corporate social responsibility projects are presented each year through the *Oameni pentru Oameni* (People for People) gala organized by the US Chamber of Commerce in Romania and the Community Relations Association. In 2006, projects amounting to EUR 6.6 million were developed, and in 2008 as part of the same gala, the total amount granted through CSR programs was EUR 11 million. In 2009, the total amount granted through CSR programs was EUR 27 million.

In a study developed in 2008 ("The Assessment of the Main Features of Corporate Social Responsibility in Romanian Firms") on a representative sample of 410 companies and conducted by the National Institute for Occupational Safety Research and Development (ICSMPS), 93 percent of the firms sampled stated that they believed that more information would be needed at the level of companies and organizations in Romania on the issue of CSR. The study showed that only 17 percent of companies in Romania with more than 10 employees said that they had a clear strategy for future development of CSR activities, and 12 percent of enterprises reported on their activities and programs in the field of CSR.[25]

Acting in different areas, corporation foundations are a prosperous and mature sign within the Romanian business environment. In practice, most of the active corporate foundations have been created by multinational companies, while the aim to develop CSR activities at the level of small and medium businesses) does not exist. According to a survey of CSO leaders conducted by the Civil Society Development Foundation in 2010, 23 percent of CSO representatives responded that in the past two years, they had actions or projects in partnership with companies that had developed CSR programs, while 56 percent of respondents had not undertaken such projects in the past two years.[26]

25 Ciucă and Atanasiu (2008).

26 Civil Society Development Foundation (2011).

The two percent mechanism was launched in 2003 and was implemented in 2005. This raised EUR 1.5 million from almost 200,000 citizens in the fiscal year 2004. The number of citizens that redirected two percent from their annual income has increased each year; in 2008, 1.32 million of taxpayers redirected almost EUR 30 million. According to a opinion poll commissioned by the Civil Society Development Foundation in 2010, 57.9 percent of Romanians consider that the two percent mechanism is a useful provision. It shows that citizens have not just heard about this mechanism, but also understand that the redirected money solves social needs.[27]

Sponsorship is a mechanism through which a legal entity or a person can give a certain amount of money to a non-profit organization and receive a tax deduction. Sponsorship expenses are deducted from profit tax payable if the following conditions are met: they are within three percent of turnover; and they do not exceed 20 percent of tax due. Individual donations to CSOs in Romania do not receive any tax benefits.

3. Contribution of Grassroots Organizations to Local Well-being

Following the analysis of workshop reports, reviews of what grassroots representatives and key stakeholders stated about the influences on the functioning of the grassroots organizations, and also according to focus groups and interviews, we have identified the major challenges that grassroots organizations have to face in their work for improving community well-being, and also the opportunities that support them in this work.

The study *Romania 2010 Non-governmental Sector—Profile, Tendencies, Challenges* (conducted by Civil Society Development Foundation) shows that the most dynamic sectors are: education, with a growth of 38 percent; and sport and recreational activities, with 26 percent. Also based on the number of registered CSOs, the most important fields in which CSOs are active are sport and recreational activities (18.8%), education (7.5%) and social services (7.3%).[28] From the perspective of employed staff and of annual incomes, the most important field is education, followed by sport and recreational activities, and those related to the social field. We can state that the contribution of CSOs (including grassroots and community-based organizations) as suppliers of educational and social services, is significant. Within the context of the continuous reform of

27 *Ibid*.

28 *Ibid*.

the educational system, the contribution of non-governmental organizations as suppliers of educational services is considerable. A study developed by Civil Society Development Foundation shows that:

- in 2009, Romanian non-governmental organizations are registered as initiators and main financers of more than 750 private pre-academic teaching units;
- the weight estimated from the total courses of initiation, qualification, improvement or professional specialization supplied by accredited non-governmental organizations is 25 percent of the total accredited training programs during the period 2005–2009;
- NGOs represent 49 percent of the accredited suppliers of social services and almost 50 percent of accredited services;
- the capacity of private suppliers to offer social services is marked out by the diversity and number of accredited services—non-profit private suppliers (associations and foundations) accredit 7,776 different services (approximately 50 percent of all accredited services);
- NGOs supply 25 percent of the alternative services for child protection in Romania, but the weight of NGOs within the providers of such services decreases;
- NGOs serve 41 percent of beneficiaries of home-care services, and more than 58 percent of the elderly each month, using their own funding sources (on average, 10,192 old persons receive monthly visits from non-governmental organizations);
- according to data from the Ministry of Labor, Family and Social Protection, the balance of cost-efficiency and the preferences of beneficiaries are favorable to NGOs.[29]

Changing policy objectives have led to an increased motivation for state officials to actively involve third-sector organizations in public-welfare service delivery, in order for the public sector to access the expertise of the third sector in delivering services to communities (particularly harder-to-reach ones), and challenging client groups, as well as to make good use of the third sector's experience in community engagement.

29 *Ibid*.

3.1 Challenges Identified during Event Discussions

As part of workshops conducted, we have identified that the participating grassroots organizations face important challenges in implementing their activities. Some of the challenges mentioned by the grassroots organizations are: sustainability of their activities; workable partnerships with other sectors; access to public funding; lack of fund-raising capacity; effectiveness and visibility; lack of administrative capacity; lack of financial capacity; lack of communication skills; legitimacy; and participation in the consultation processes. Of course, this is not an exhaustive list of challenges that grassroots and community-based organizations face, but are the most important ones listed by our participants.

One of the growing trends across Europe is public outsourcing in service delivery, and in this sense, one of the roles that the civic society organization (including grassroots and community-based organizations) plays is that of public-service provider. This phenomenon has a huge impact on education and social inclusion, and also on the CSOs working in these fields, given that in these spheres, quality of the delivered services has a direct and consistent impact on service recipients. In the present study, we will focus on the challenges that undergo significant direct and indirect transformations when grassroots organizations are engaged to undertake education and social inclusion service delivery, whether they be financed through public funds or not.

As part of this case study, we use the term *public funding* to refer to any direct allocation of funds to CSOs from central or local budgets, either for supporting their activities, or in return for services delivered by CSOs. We have chosen to discuss grassroots access to public funds, since this was the main challenge listed by our participants. Also, a lack of funds is the main source of other obstacles that grassroots organizations face, such as the sustainability of their activities, effectiveness, and visibility.

The withdrawal of most international donors has limited the sustainability of many grassroots organizations, and as a consequence, has narrowed the recipient's access to the services which these organizations provide. In a context where fund-raising capacity remains one of the weaknesses for most grassroots organizations, the success in attracting funds is limited. Once post-accession funds became available (particularly Social European Funds from the Sectoral Operational Program's Human Resources Development), new opportunities have emerged for Romanian civic society organizations working in the education and social inclusion fields. The fact that CSOs have become eligible to directly access these funds represents an important advantage for actions supported by the European Social Fund (ESF) to be efficient and effectively implemented. We can state that implementations of actions supported by the ESF are efficient and effective only if they are based on real partnerships between all relevant stakeholders and based on

good governance. The support for the involvement of civic society is stated in Regulation 2006/1081/EC of the European Social Fund: "social partners have a central role in the broad partnership for change, and their commitment to strengthening economic and social cohesion by improving employment and job opportunities is essential."

Grassroots representatives stated how Romanian civic society is divided into two "clusters": those that have the financial capacity to implement strategic or grant projects financed through structural funds and those (especially grassroots organization) that do not, and therefore have no access to this type of funds. Unfortunately, there are few meaningful relationships between these two types. These conclusions made us want to deepen our research in order to establish the number of projects won by CSOs, and the percentage contracted from the total amount of the projects. Our conclusion is that many CSOs are trying almost exclusively to respond to the needs of education and social inclusion through projects that have been financed through EU funds and programs over the past couple of years. In Figure 1, the number of projects won by types of beneficiary for those calls where all types of applicants were eligible to apply is presented (revealing that the CSO sector attracted the most projects). When looking at the distribution of the total amount of projects by different types of beneficiary, CSOs again rank first (Figure 2). The projects contracted by CSOs represent 37 percent of the total amount contracted.

Figure 1
Number of projects won (by type of beneficiaries)

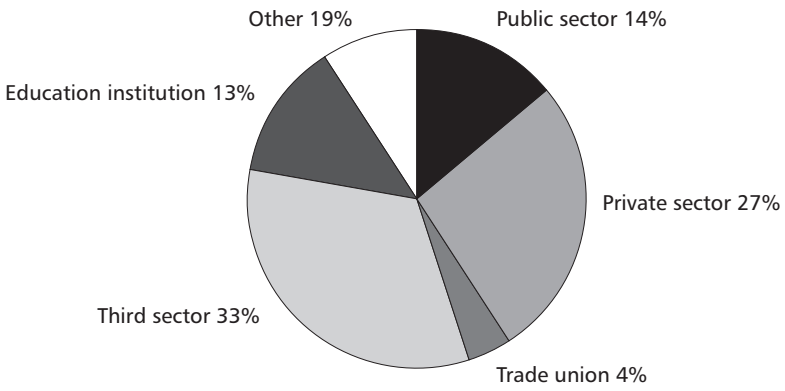
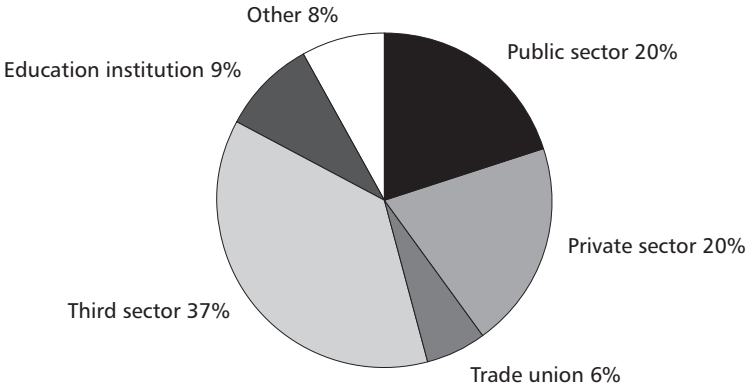


Figure 2

Amount won (by type of beneficiaries)



However, about one percent of all active third sector organizations have been able to secure some public funding through the structural funds schemes. Also, according to the SOP HRD's Management Authority database with the contracted projects, cases in which CSOs only have one project contracted are very rare. Therefore, we can state that there is a cluster of large organizations which is receiving grants. Even given the increase in the funds granted to civic society organizations, the number of those managing to access these funds still remains constant, and given the new changes in the regulations and the problems that CSOs face in implementation, it is most probable that this trend will decline (not to mention that this will eliminate a large number of community-based organizations from any possibility of accessing these funds). Further grassroots representatives stated that they faced real challenges in finding sufficient funds to support their administrative infrastructure. These challenges impose obstacles when concentrating on their work with the beneficiaries. Thus, the general concern raised was that there was a lack of full transparency in the selection process, highlighting a limited understanding of how final project rankings are concluded, and that the ability of potentially interested parties to understand specific organizational developmental needs was limited.

Another challenge is the donor's focus on project-based funding schemes, which has a long-term effect on the capacity of these organizations to cover increasing administrative costs related to fundraising activity. The fact that some of the projects are granted based on a first-come first-served principle reduces the opportunities for those grassroots which do not have sufficient experience with the Action Web system, or have a slow internet connection. Some of the grassroots organization representatives stated that they did not get the chance to upload their project before the closure of the system. Another prob-

lem was that the planning calendar developed by the managing authorities was never respected. This had a negative impact over the grassroots organizations' planning cycles.

"Agenda driving" was another important obstacle listed by the participants. This includes situations in which the mission of grassroots organizations is redefined, or their daily activities are becoming more driven by public authority priorities. This occurs because of a dependency on public contracts, and grassroots organizations' efforts to adapt to "financing trends" (because it is more likely that authorities will fund only those activities that are compatible with their purposes and goals). Besides this, the regulatory framework of the public financing of CSOs is determined by high levels of bureaucratization and routine behaviors which have weakened the advantages of the civic sector in creating innovative and individualized public welfare services for diverse social groups. Moreover, it determines the loss of a philanthropic and altruistic character that characterizes CSOs. Also, the competition that is created between the CSO for public funds (a "business-like competition") has shifted the CSOs' focus from their mission to the way they are managed.

The importance of grassroots organizations in participating in policy-making processes at local levels has increased, along with the adoption of principles of self-governance, supported by the decentralization process of the organization in the delivery of local services and the adoption of principles of sustainable development by promoting local well-being. However, despite all these advantages, the lack of interest on the behalf of local authorities in consulting with grassroots organizations is one of the most significant weaknesses and barriers in their capacity to influence public policies in their communities.

Unfortunately, at the local level, the role of CSOs, especially of grassroots organizations in decision-making processes is lower than at the central level, where various networks, instruments and mechanisms for involvement and participation have been developed (for example, under the provision of Law 52/2003 on transparency in decision-making in public administration, ministries are obliged to consult civic society when promoting new laws). Although significant progress has been observed, the Report on the Activities in the Public Policy Process, at the ministry level, developed by the General Secretariat of Government, identifies: "reluctance on the part of ministries in consultation and even negotiation on draft laws with civil society representatives."[30] Also, the stage in which civic society is involved is very important; the same document identifies as problematic the fact that most ministries "give importance to the consultation process after legal acts were drafted and very little in the stage of identifying public policy options."[31]

30 *Raportul privind activităţile desfăşurate în cadrul procesului politicilor publice, la nivelul ministerelor*, p. 14.

31 *Ibid*, p. 9.

Another problem identified at the central level in the Strategy for Improving the Development, Coordination and the Planning of Public Policies developed by the General Secretariat of Government is the fact that the "public policy formulation process is dominated by a legislative approach."[32] Therefore, despite efforts and progress in making public policy, one can still identify gaps. We have to mention that, although the premises refer mainly to central government, their applicability to local government structures in Romania is obvious.

Accessing European funds represents an important item on the public agenda, even though the Romanian authorities undertook no effort in including CSOs in the process of accessing and managing the strategy for these funds. In the PHARE report, it is emphasized that "For structural funds (both ESF and ERDF), the CSO sector will mean effective partnerships where the statutory agencies (at national, regional and local levels) sit side by side with the non-profit sector as equal partners, developing solutions and community-based services which address local problems and meet local needs. As Regional and Sectorial Plans are being developed and implemented, the CSO sector must improve their awareness of what they have to offer and promote their activities as an integral plan of the regional and sectorial development process."[33]

Romania's National Development Plan for the financial period 2007–2013 was created in order to guide the strategic planning and the multi-annual financial programming for accessing and implementing projects from structural funds, according to the European Union's Cohesion Policy. Although the document was drafted by the government, it was presented as being the creation of a larger partnership; at the same time, CSO representatives stated that the majority of their requirements were not taken into account. The same situation was repeated again, when Romania's National Reform Program for translating the five EU targets for Europe 2020 was developed. None of the participating organizations knew about the consultation process for developing the National Reform Program, or about the targets that Romania was to reach.

All grassroots organizations involved in the project declared that they were not involved in activities for influencing public policies, whether at the national or the local level. At the same time, only 40 percent of the grassroots organization representatives believed that their organizations had the capacity to influence public policy: "Participation in drafting and monitoring public policies for the benefit of citizens is one of the roles that we, as grassroots, do not exercise very often."

32 *Strategia pentru îmbunătăţirea sistemului de elaborare, coordonare şi planificare a politicilor publice la nivelul administraţiei publice centrale*, p. 2.

33 OMAS Consortium (2001), p. 11.

Asked if they considered that the climate in Romania was favorable for efficient consultation processes and real public debates, the grassroots representatives declared that this was not the case. One representative said: "They do not involve us in the decision-making process. The mayor, the local councilors and the vice mayor tend to control both agenda setting and the formulation of public policies."

Even though, as part of creating local strategy, local authorities raise the issue of grassroots organizations needing to be involved in the decision-making process, this still remains just a statement. For example, we have analyzed the Local Strategies of communities from which the participating grassroots originated, and among the priorities stipulated were measures for promoting and encouraging partnerships between public institutions and CSOs in various areas of activity. Among strategies for supporting CSOs that are part of the community, several directions were identified: improving CSOs capacity for cooperation with local administrations; improving CSOs' capacity to attract and efficiently manage local resources based on local needs; and increasing the CSO sector's visibility within the community. Even though local and central authorities realize that consultations between grassroots organizations and local authorities are important, as they strengthen awareness of the interrelated functions that the two parties have in social life, the latter show no interest in consulting with grassroots organizations.

As part of the workshop, it has been identified that when issues of state-funding schemes, education and social indicators are debated, the involvement of grassroots organizations is more than necessary. All these issues represent strategic plans in these fields, and the established indicators should be set as priorities in national, regional and local policies, therefore using the grassroots expertise and knowledge. Moreover, the involvement of grassroots organizations in the development of state-funding schemes determines the development of tailored funding programs, which would help ensure that calls for proposals would respond to the beneficiaries' needs, and help achieve the desired outcomes and impacts.

Asked about the number of observations transmitted to public authorities within consultative processes, only five grassroots representatives stated that had been sent any observations, and that all of these were at the national level. The remaining participating grassroots organizations did not send observations and/or recommendations to public authorities. Even though they did not participate in the consultation process, all of them showed interest in participating in the public-policy decision-making process (by attending public consultations and sending their observations on legislative instruments submitted for the public debate).

Asked as to the reasons why they did not send their observations or recommendations, some of the participants stated that they did not know about the consultation process,

while others stated that if they were in a disagreement with the public-policy initiatives, they would have chosen not to send their views anyway, since they were afraid that such a move would lead to their organization being excluded from public funding allocations.

3.2 Opportunities

The first opportunity that the grassroots representatives identified is the fact that the workshops allowed them to change opinions, to learn from different experiences, to develop new contacts, create long-term partnerships, and most importantly, to realize that there are other organizations facing the same challenges.

In the long-term, one of the opportunities identified by the grassroots representatives was the possibility to promote "well-being coalitions" for sustainable development at the local level. This type of cooperation would bring together different organizations for a common goal, and would increase their capacity to support local actions organizations in education and social areas. One grassroots representative said: "Such a collaboration would allow a permanent gathering of information on the needs of beneficiaries."

Being organized in initiative groups with a unitary voice, they would have the capacity to participate in drafting local policies for vulnerable and disadvantaged groups. This collaboration would allow the identification both of how legislative modifications can influence grassroots activities, and how such changes could be efficiently translated. Also, this would allow for the creation of efficient and effective persuasion channels on decision-making factors. One grassroots' representative said: "Often, there are *ad hoc* coalitions that are only created for signing common petitions, but an organized and permanent collaboration and consultation is needed and would be helpful."

Even though accessing European funds represents one of the most important challenges that grassroots organizations face, this is simultaneously their main opportunity in the development of large projects. Given the complex criteria that grassroots organizations have to face in order to access these funds, the possibility for these projects to be developed in partnership with other grassroots organizations in Romania, but also with similar organizations in EU is an opportunity for the transfer of know-how when writing applications and accessing and implementing projects. Other opportunities that we have identified and developed as discussion points with grassroots representatives in the workshop were conclusions and recommendations from the *Sectorial Operational Program's Human Resources Development Annual Implementation Report for 2010*. As part of this report, several issues were identified, including a lack of training and other active employment measures for people from rural areas or people with disabilities.

Beneficiaries usually prefer to apply strategies that are focused on segments of a target group that guarantees success without considerable effort. Therefore, they design services for more accessible target groups, which might guarantee measurable results and higher indicators of performance. But there is a risk that the most vulnerable groups are not chosen as target groups in projects. It is necessary to ensure that the most vulnerable groups are the target groups of projects. Also, the capacity building of local actors is necessary, especially in rural areas, since this would stabilize factors clearly needed to improve the implementation capacity.

The problems identified here are considered in the light of opportunities that grassroots organizations have in accessing structural funds. These identified weaknesses actually give a comparative advantage to grassroots organizations, first of all because they already work with hard-to-reach communities and challenging groups; some of them work in rural areas and their strategic plan is to continue their work in these communities. Another competitive advantage that grassroots organizations have is the capacity to adapt to the beneficiaries' special needs and to tailor a social service. Also, the report identifies as an important problem the fact that strategic projects have more problems in the implementation process, and are more slowly implemented than grant projects. In this case, a shift towards grant projects would represent an opportunity for grassroots organizations, and would allow their access to structural funds.

4. Concluding Remarks, Perspectives and Policy Recommendations

Through the workshops, we have aimed to answer questions related to the situation of grassroots organizations in Romania, and to identify channels in order to have their voice heard. We wanted to find out: *what are the main characteristics of the grassroots organizations that deliver public services at the community levels; to what degree they participate in the decision-making process; what are the challenges that these organizations face; how certain decisions influence their activities; how important is their activity at the community level; what are the major constraints when accessing public funds; and what are the opportunities that could lead to improvements of their service delivery.*

As part of the workshops, and during the entire implementation of the project, we have realized the importance of grassroots organizations as part of the communities and their role in a service-delivery context. Firstly, grassroots organizations work with the most vulnerable groups and with hard-to-reach communities, giving them the capacity to build bridges between these communities and the authorities. Secondly, grassroots organizations have the capacity to develop innovation in service provision, and to adapt to

the needs of such hard-to-reach groups. There is a willingness, expressed by grassroots organizations in capacity building, to facilitate growth and development. Thus, in our opinion, institutional strengthening should be seen as a long-term process having variable impacts on beneficiaries and target groups.

As we can conclude, the problem that grassroots organizations face in regard to funding is not only related to the amounts needed, but also with the structure of funding available. In particular, there is a lack of core funding (to pay overheads and professional staff); there is a lack of long-term funding, meaning that investment in the organizations themselves and sustainable financing are key issues. These issues are considered to particularly affect community-based organizations.

As part of the workshops the following recommendations were formulated.

- *The need for the CSOs and grassroots organizations to actively participate in the formulation of education and social inclusion policies* was addressed in the workshops. Grassroots representatives addressed the lack of influence that they have upon strategic planning and the decision-making processes at all levels, particularly in the education and social fields. This lack of influence is a result of a very poor participatory approach of governance implemented/used by the public authorities in Romania. As we concluded after the workshops, due to their experience and expertise, most active grassroots organizations have the necessary strength and capacity to influence the lives of many socially excluded and disadvantaged groups. Though, in order to have an impact on the educational and social inclusion policies, and to become a real and reliable partner with public authorities, there is a need for a unique and informed voice from the part of the grassroots organizations. At the same time, public authorities have to become more transparent and open towards CSOs and grassroots participation.
- *The need for institutionalized cooperation between the civic society organizations:* the absence of umbrella organizations that would allow for a better communication and collaboration between civic society organizations makes collaboration difficult to achieve. Developing communication channels would allow to civic society organizations to express themselves through a common voice and would also increase the chances for civic society organizations to develop projects through collaboration.

Public funding is an important source of finance for CSOs and grassroots organizations in Romania, and as part of the workshops, the following recommendations were formulated.

- *There is a need for CSOs and grassroots organizations to actively participate in the planning process of multi-annual financial programs in order to access and implement projects financed through structural funds, and also to participate in the process of managing strategies for these funds.* Grassroots representatives highlighted the need to be involved in identifying the problems and the most favorable solutions; without consultation, the targets meant to be achieved would remain just a wish list. Romania's National Reform Plan (NRP) for 2011–2013 was developed to revise Romania's National Development Plan (NDP) for the financial period 2007– 2013, giving a new economic and social context, and to establish new reforms derived from the specific objectives of the Europe 2020 Strategy and its related documents (flagship initiatives, Annual Growth Survey, Euro Plus Pact). Therefore, the National Reform Plan for 2011–2013 includes actions that are already under implementation, as well as newly identified measures and actions. Both documents are presented as being developed in partnership with civic society organizations, but in practice, civic society organizations that had taken part in the process declared that they were only involved formally in the planning process. Also, within the final documents, we can find few references to civic society involvement in the planning process, and no mention of the role that civic society organizations play in the implementation process. For example, in the National Development Plan, the only field where direct partnership between government and the civic society is mentioned is the service-delivery field. Not to mention that this reduced to the funding relationship (more exactly, the document points out that in this respect, civic society organizations can be granted financial support in order to improve the quality of social services). Hence, civic society organizations are seen as service delivers and not as partners in reaching a common purpose.
- *The need to focus on the projects' impact:* in distributing the public funds, the governmental bodies' attention should migrate from the process of granting the funds. Their main interest should be on achieving the proposed outputs, and more importantly, on the proposed impact.
- *Monitoring and evaluation should be directly proportional to the amount of funds granted.* Controls over payments, information requirements, monitoring and evaluation, should be in proportion to the level of funding involved. Also, in order for CSOs to successfully implement the project, reimbursements should respect deadlines established in the contracts.
- *A transparent funding process*: it is necessary to establish clear criteria in each stage of the funding process. These criteria have to be well known before publishing the call for proposals. The call for proposal should contain all the necessary information for preparation of the proposals, clearly explaining to

the readers goals that are to be achieved. The documents that have to be submitted should be proportional and relevant to the scope and the amount of the grant.

- *The need for strategic accountant management has been identified, as well as the development of skills and capacities* of grassroots organizations. Capacity building for growth and development is important in order to develop the skills and capacities of grassroots organizations with regard to internal and external functioning (and in particular, with regard to management, basic planning and preparation of projects skills, PR and fundraising methods), supporting strategic planning, evaluation, partnership building, and management by transferring standards and best practice. Moreover, it is important in order to improve organizational capacities by strengthening the infrastructure of CSOs at the local, regional and national levels.

An alternative to seeing grassroots organizations as dependent on donors is to introduce at the grassroots level the concept of "social economy," which from experience can offer opportunities to generate new and innovative services that meet local needs and fill gaps in service provision. Communities can participate in the management and delivery of local services; employment can be created (particularly in disadvantaged communities); training can be established where unemployed and socially excluded individuals can develop work-related skills; in volunteering, people can participate in valued socially beneficial activities. The social economy can make a significant contribution to society, as it encourages community membership, community involvement, and promotes community empowerment by allowing members to exert influence and participate in management and decision-making processes.

Chapter 8
Cross-country Comparison: Lessons Learned from the Partner Countries

By Jelena Radišić

In this section, we seek to compare the lessons that may be learned from the experiences and practice of grassroots organizations involved in the Grassroots Europe for Local Wellbeing project. Focusing on topics of mutual cooperation, communication within and between sectors, challenges in regards with the lack of systematic public support, and unclear financial mechanisms, we investigate not just the obstacles, but the strengths of grassroots organizations, with equal weight.

At the beginning of this publication, we explored how a focus on the individual and the surrounding community can be brought back into the policy discussions, by reflecting on the role of grassroots organizations as an intermediary arena for complementing efforts towards enhanced well-being. We have also argued how social inequalities and social exclusion can be diminished by empowering grassroots organizations in key institutional, policy, and political interactions. This view is founded on a refined understanding of the capability approach, initially proposed by Amartya Sen.[1] In this reconceptualization, we assess the role of grassroots organizations in their work towards promoting local well-being, by emphasizing people-centered dimensions, and more broadly, such organizations' role in fostering social change.

We noted how, regardless of which theoretical stance one takes, grassroots associations are seen as having a significant positive impact affecting socialization, activation and democratization functions.[2] They often deliver services and play an important community-building role.[3] According to Smith,[4] the impact of grassroots associations can be classified in several categories. They provide social support and assistance, especially in the domain of social services; they stimulate self-expression and learning; they stimulate

1 Sen (1999).

2 Wollebaek (2009).

3 Toepler (2003).

4 Smith (1997a).

happiness and health; they affect socio-political activation, and influence and strengthen the economic impact of individuals. As we take up the concept of well-being as "living well together" in a community, looking at how the capabilities of the grassroots associations can affect the social determinants of well-being for the communities they activate, we further explore how this intermediary arena has been set up in the five partner countries involved in the Grassroots Europe for Local Wellbeing project. To what extent do grassroots organizations that participated in the project feel empowered to shape attitudes connected to social and individual responsibilities towards well-being? What is the level of cooperation within the CSO sector, and between this sector and the public? What are the main challenges that grassroots associations face in their everyday work? How do they perceive their strengths? These are some of the questions we will deal with in this chapter.

Before we analyze the issue, we will draw on some structural and contextual parallels in the development of the non-governmental sector among the five partner countries where the project was carried out. Firstly, in most of these countries, it is important to notice that different roots of previous civil engagement can be traced historically, with several distinctive features in relation to the pre-accession and post-accession situation. In Austria, churches and political parties had dominated the public arena for many years, and until the beginning of the 1990s, there were only a few private foundations fostering the development of Austrian civil society. By the same token, civil society developed in Romania after that country's revolution in December 1989. However, due to the resulting tensions, CSOs were predominantly seen as the enemy of political power during the first few years. Following the parliamentary and presidential elections of 1992, relations between the government and civil society improved. Remarkably, the non-governmental sector underwent an impressive dynamic evolution within a very short time span. What contributed to this was primarily the existence of Civil Society Programs which focused on strengthening and widening the capacity and involvement of CSOs in respect to both social and political transformations at national and local levels. Similarly, in Latvia, the sector underwent tremendous changes throughout the 1990s, despite the lack of a strong tradition of engagement in voluntary activities.

Conversely, in the Czech Republic and Hungary, the much stronger traditions of various forms of civic engagement differently shaped the post-1990 developments. The Czech non-profit sector was built out of a rich tradition of Czech civic life, yet after 1989, some important tensions could be perceived in relations with the government. In the beginning, revolutionary enthusiasm was reflected in a liberal state policy towards the non-profit sector, but in the mid-1990s the state took a more restrictive stance, closely monitoring the legislation regulating the sector. Finally, looking at Hungary, the past 20 years has painted a picture of a heterogeneous civil society which has been formed through internal struggles, mainly building on a long tradition of foundations and voluntary

associations dating back to medieval times. During the second half of the 19th century, a public-private funding model of social services emerged. After 1947, the communist regime discouraged the development of the voluntary sector, but in the latter years of communism, particularly following the 1956 revolution, there was a decrease in the controlling of civil society. Its full rehabilitation started slowly before the final collapse of the communist system, with more and more foundations and advocacy organizations being founded at the beginning of the 1990s.

Secondly, after accession to the European Union, a new phase in the development of the civil society sector started, shaped primarily by the new funding that became available, and by the many changes introduced in the legislative procedures. Austria was the first among the five countries to enter the EU. Participation in EU funding programs represented a dramatic change for Austrian civic society (compared to the previous period, during which civil society had been driven by political parties, and throughout which, the funding had depended on their proportional representation). After Latvia became an EU member state in 2004, the activities in the civil society sector increased, especially due to the accessibility of EU funds, the new legal regulations, and the increased capacity of the CSO sector to engage in a dialogue with the decision-makers. Likewise, Romania's EU membership in 2007 widened the opportunities of CSOs, despite the fact that the funding procedure itself still raises a number of problems that need to be carefully assessed. In the Hungarian context, the inclusion of CSOs in the provision of social services essentially developed with 2004 accession. In the Czech Republic, as in other post-communist countries, foreign donors withdrew their support following the 2004 EU membership; this urged an enforcement of the partnership principle, and the use of EU Structural Funds. Yet, the dependence on EU funds that some CSOs experienced affected them very negatively. As the funds came in two separate funding sessions, some organizations were faced with a gap in their financial resources, since the government was very slow to distribute funds, and decided to support the newer organizations in the second round. Thus, some of the organizations needed to cut down their services, dismiss employees, or even go bankrupt.

Finally, in all five countries, civil society regulation has changed tremendously, with that change ongoing. For example, in Hungary, Latvia, and Romania, a new set of laws was passed in order to promote, develop, and strengthen the civic sector. In the Czech Republic, this process is still continuing. What seems to be a commonality for all cases is the fact that neither of the laws that were established fully encompasses all the activities and types of organization in the sector. At the same time, some of the new laws added more bureaucratic barriers and complex judicial procedures to existing practices, thus making it difficult for many CSOs to follow newly established courses of action (e.g. when lobbying). Additionally, they were faced with serious deficiencies in the number of CSO legislative specialists.

The scope of activities in the sector encompasses various fields, but for the five cases we are analyzing here, most activities undertaken are related to environmental issues, education, social services, and leisure activities. There seems to be an uneven representation of organizations in some of the regions in each of the partner countries, leaving some areas under-represented and others "overcrowded" with CSO services. This disparity is especially visible between urban and rural areas, with a preponderance of activities performed in urban zones. The statistics on how many people actually get involved in the work of voluntary organizations is (at the very least) imprecise. Due to the gap in legislative definitions in the partner countries, and a disparity in numbers between several studies carried out at both the European level (e.g. the Study on Volunteering in the European Union, or the 2008 European Values Study) and the national level, scopes of activity, beneficiaries, and those providing the services, sometimes remains unclear. As there are various forms of organization, association, and foundation that can be formed within the CSO sector, inconsistencies in their number are usually caused by the fact that not all types of organization are involved in the official counting, especially those based on voluntary types of activity. As grassroots organizations are defined as "self-organized groups of individuals pursuing common interests through volunteer-based, non-profit organizations that usually have a low degree of formality but a broader purpose than issue-based self-help groups, community-based organizations or neighborhood associations,"[5] they are not taken into account in current statistics, in most cases. For this reason, Smith refers to them metaphorically as the "dark matter"[6] of the non-profit universe.

1. Cooperation in and Outside the Non-profit Universe

Organizations develop over time; this is usually connected with the professionalization process that they are involved in, as they grow or change their scope of activities. In the CSO sector, this is brought about by a series of interwoven processes (e.g. the arrival of fundraising as a specialized job, or the creation of many intermediary organizations providing a background for other non-profit voluntary organizations).[7] Yet, at the level of everyday functioning, it is crucial how organizations use their capacities (developed over time) and their capitals (financial, human and structural), in order to fulfill the missions and goals they have initially set up.

5 https://webgate.ec.europa.eu/fpfis/mwikis/aidco/index.php/Grassroots_organization

6 Smith (1997b).

7 Salomon (2005), pp. 93–95.

The ability of CSOs to make use of their social relationships and networks is often regarded as their particular strength. Voluntary associations usually rely on their social capital-networks and contacts-that they can count on for obtaining information, know-how, and expertise in an informal way. Putnam labels this as "bonding social capital" founded on horizontal relationships between the members of an association, between similar people, based on shared values and trust among people of a kind.[8] On the other hand, what he terms as "bridging social capital" represents the type of relationships between people from different groups, the so-called "weak ties"[9] between people who belong to different social spheres. Drawing on experiences from the five partner countries, we examine the extent to which CSOs have been able to use their bonding and bridging ties in the societies they are part of. Moreover, how deep and how wide is the cooperation that takes place in the national context?

It can be argued that cooperation does exist, but unfortunately the ties established are rather narrow and lack continuity in all the cases we investigated here. Almost all Latvian CSOs have stated that they do cooperate with each other in general, but only a third of them mentioned collaboration on a regular basis. By and large, this included those CSOs that have paid staff, higher incomes, and that operate at least on the regional level. Typically, those organizations that have been set up as associations, alliances, and networks are directly focused on cooperation. The remaining CSOs, in many cases, perceive each other as direct competitors in their expertise areas. Consequently, this is one of the main reasons why they tend not to cooperate constantly in preparing joint grant proposals or in solving financial matters. When CSOs do cooperate, it is mostly done within the framework of the activities initiated by one organization, or jointly; alternatively, cooperation happens naturally when organizations share premises, or when there are people who are involved in several organizations at the same time.

Another difficulty that obstructs potential cooperation inside the sector is an existing hierarchy within the sector itself; making organizations of different sizes and professional interests not to collaborate at an equal length. Smaller CSOs are seldom interested in taking part in formal networks, due their limited capacity to handle the tasks needed within such an affiliation. At the same time, more experienced and larger CSOs tend to distance themselves from the smaller and less-experienced CSOs.

In Austria, for example, networking among CSOs has been established, but this is far from including the entire sector. Some networks are established as internet platforms, allowing member organizations to publish their activities, while others take a more tra-

8 Putnam (2000).

9 Granovetter (1973).

ditional form. The latter is usually preferred by CSOs dealing with environmental and ecological issues. Many of the initiatives on social issues became part of the Austrian Poverty Conference, a network working at the European level (EAPN) or Agenda 21, which gathers small initiatives at the city level. An additional governmental structure was added in order to respond to the pressure of unequal involvement in the civil sector, in the framework of the Austrian National Integration process managed by the Austrian Federal Ministry of Internal Affairs. It comprises about 30 CSOs working in the fields of education, social inclusion, and integration. Nonetheless, these networks, and the grassroots initiatives working in the social field, have not yet consolidated their relations. Similar unsatisfactory levels of cooperation within the CSO sector can be found in Hungary. Regarding social inclusion, the most significant umbrella organization is the Hungarian Anti-Poverty Network, whereas in education, especially inclusive education, no specific umbrella or advocacy organization reaching out to grassroots organizations exists. There are several advocacy organizations, formal or informal coalitions and network-type organizations, that deal with different vulnerable groups. In the Czech Republic, a structure of umbrella organizations and associations is slowly emerging, especially in case of sub-field umbrella organizations. The need to create higher structures in the non-profit sector emerged in the late 1990s, in the context of regional planning and preparation for EU Structural Funds. Their establishment did not go smoothly, and most viable networks were created for certain fields of activity (e.g. environment, national sports associations). CSO membership in networks is rather limited, and the networks that exist do not generally represent the entire sector. Nonetheless, there are regional networks which work quite efficiently; however, the government and public administration have been calling for an integrated representation of the sector. Although there has been considerable positive development, an effective channel of communication between CSOs and the state is yet to be developed. In Romania, only a few CSO representatives stated that collaborative work between different organizations is frequent when developing specific projects and/or in order to exchange good practices. The number of umbrella organizations whose existence could enhance dialogue and collaboration within the sector remains relatively small, primarily operating in areas such as child protection, environment, student associations, and international development. In respect to volunteering, a national umbrella organization of volunteer centers and volunteer-involving organizations was established in 2010. At least two platforms affiliated with the European structures exist in Romania (FOND—the Romanian Federation for the Development of the Non-governmental Organizations, and RENASIS—the European NGO Confederation for Development and the National Anti-Poverty and Social Inclusion Network). Simultaneously, CSOs have access to specific information collected by different newly established blogs at the national, regional, and local levels. Resource Centers have been developed in recent years, aiming to support development and provide services for civil society organizations. Such centers organize events, gather useful information materials, and provide information and training for CSOs.

The cooperation between the national public entities and the CSOs is mainly affected by high levels of bureaucratization—still visible in partner countries—and by specific agendas that the public institutions set themselves. The Hungarian non-profit sector faces a relatively high degree of centralization and bureaucracy, and the sector's traditional demarcation from the state remains a powerful obstacle in engaging in a continuous cooperation with national public bodies. Additionally, Hungarian CSOs still lack acceptance as major partners, both in the provision of social services, and in policy-making. Similar issues are encountered in Austria. As perceived by participants, while the political sphere is propagandizing on civil-society actors and the those taking part in initiatives, they themselves stress the lack of structures and conditions for effective and real cooperation in decision-making processes.

The Latvian CSOs primarily cooperate with ministries or their agencies, or with members of parliament; yet, the intensity level for such forms of cooperation is rather low and its character remains occasional. When cooperation does take place, officials are usually responsive towards the larger CSOs, those which are more noticeable in the public arena. These are the only ones which get invited to public events and discussions (e.g. working groups). Frequently, cooperation is established with only one department, that which is the most relevant to the CSO's professional interest. Local authorities are seen as a fundamental source of funding for CSOs. These also include the in-kind help, such as offering premises for public events at no cost, providing them with the offices or assisting with the organization of public actions. Personal contacts are tremendously important for this type of assistance. Yet it is noticeable that such support is much more likely to be offered for the events and initiatives similar to the interests and the opinions of the decision-makers themselves.

As an attempt to provide a mechanism for institutional support to CSOs, the Hungarian Government established an autonomous governmental fund in 2004, the National Civil Fund. Over the years, the system of communication and cooperation with CSOs has become more and more systematic; maintaining the original idea of providing state support for CSO operational costs beyond the already existing system. Practice shows that there are still areas in which this system could operate at higher levels, but at the same time, CSOs have made significant breakthroughs in influencing legislations concerning the sector (e.g. in the case of the National Civil Fund, the Act on Public Interest Volunteering). Increasingly promising results have also been seen in introducing legislation for protecting the disabled, women's rights, the environment, etc. The two sectors have also initiated partnerships in order to enable public services. Affiliations were created with the Ministries of Health, Social Affairs and Family, Education, and Culture. Also, with joint efforts, processes for determining direct and indirect (delegated) civic representation in European Union institutions have also been worked upon. In conclusion, CSOs take part in working groups at the ministry level, and are members of bodies within the National Civil Fund.

Three aspects of relationships (financial, partnership, and collaboration) between the public and the non-profit sector are notable in Romania. The financial one is institutionalized, based on rules of funding provided by public authorities. The development of this type of relationship has determined the shift from the CSO role of providing supplementary and complementary services, to providing social services under formal contracts issued by local or central authorities. So far, there seems to have been no interest from the government to develop a systematic approach to support the CSO sector. Finally, in respect to partnership relations, one can find "timid" partnerships between CSOs and the public sphere. Although grassroots organizations are often closest with the neighboring public, in reality, the strength of the relation with the local authorities does not depict this. Mostly, partnerships are based on private relations and employees of the public authorities, similar to the practices present in Latvia at the municipal level.

Another parallel can be drawn from the five partner countries, when one analyzes the relationships between the private and the CSO sector in each. Ties can be found at both local/regional and state levels, and they are increasing year-on-year. For example, the impact of the private sector on civil society in Hungary has increased in the past couple of years. The largest companies apply strategic planning, but stakeholder management is still not thoroughly planned. Some data reveal that companies find civil society organizations as the least important stakeholder group when planning their funding activities,[10] while they consider employees and customers the most important groups. As for corporate volunteering, organized voluntary activities of companies are still much more popular than providing *pro bono* expertise for CSOs. In the Czech Republic, according to annual statistics of the Ministry of Finance,[11] donations grow every year. Different companies use different donor strategies (e.g. the ČSOB and Era Foundations, the T-Mobile Foundation). While some companies value associations with large and well-known CSOs, others are not afraid to support small organizations by providing grants through tenders organized by their corporate donor foundations (the ČSOB and Era Foundations, together with the VIA Foundation, support dozens of regional development projects annually through small, regional CSOs). Community foundations, operating in a specific area with a focus on the local community, are another intermediary between companies and regional CSOs (e.g. the T-Mobile Foundation has its focus on the Louny Region, and activities are managed by the Ústí Community Foundation). Money is received from local donors, both corporate and individual, and then allocated as grants to CSOs operating in a given area or focusing on the local community. Such a practice can also be found in Latvia. For example, the Latvian Community Initiatives Foundation (LCIF) focuses on obtaining funds from individual donors, companies, or

10 Erősödő stratégiai felelősségvállalás (2011).

11 www.mfcr.cz/cps/rde/xchg/mfcr/xsl/en.html

the public, in order to support and educate civil society organizations in the field of social welfare, health care and education. In such a way, community initiatives are promoted, that is they are proposed at the local level with the goal of improving the well-being of people in the area.

Private foundations are important actors in Austrian civic society, but only few deal with the concerns of the CSO sector in terms of providing capital for social, cultural, and other civic society issues. Although corporate social responsibility has gained in importance over the last few years (especially in the social sector and the field of human rights), there are as yet no visible changes in terms of funding schemes influencing the whole sector. Some successful partnerships, nevertheless, do exist. In a similar vein, corporate social responsibility is a recent concept in Romania, imported by multinational corporations. Although in recent years it has shown significant progress, ties between the private and CSO sector remain underdeveloped.

We can argue that cooperation is certainly taking place among various actors in the nonprofit sector, as well as with actors outside the field itself. Yet, certain distinctive features such as inconsistency in public/CSO relations, or fully unexplored ties with the private sector, show this cooperation to be on rather thin ground. Bonding ties are developed, but one could question whether they are strong enough to keep the sector healthy, and to foster the further development of "bridging ties" that go beyond the practice of personally established connections.

2. Facing Joint Challenges

In line with Hall *et al.*,[12] financial capacity (as the ability to accumulate and use financial capital, e.g. money or values transferable to money, such as properties) is seen as another set of capacities influencing the work of grassroots organizations on a daily basis. Grassroots associations have limited financial capital, and few own the space in which they operate. Although the accumulation of capital as such is not their goal, this does influence sustainability, and course of grassroots' activity, over time.

There are three challenges that were jointly recognized, among CSOs in all five countries, as being the most demanding with regards to their everyday activities: uncertain mechanisms of financial support; lack of recognition and appreciation, along with unclear support strategies from the government; and unclear modes of communication with the

12 Hall *et al.* (2003).

local, regional, and national governmental representatives, thus hindering participation in the decision-making process.

Unclear Mechanisms of Financial Support

During the roundtable sessions organized in the Czech Republic, financial problems were listed as being the biggest obstacle to the development and increasing efficiency of CSO activities. The problem was not just perceived in terms of lack of funds, but also in the way the system of financing functions. The same issue was recognized in the other partner countries. There is non-systematic state support; funding schemes for grassroots associations are often unclear and remain agenda-driven. At the same time, according to participants, the lack of material resources influences the sustainability of their activities, as well as their effectiveness and visibility.

Participants in Hungary have raised their concern that, although they are working for the public good, their activities are either under-financed or financed in such an unsystematic way that the issue affects, for example, their continuous involvement with marginalized children, and people living in poverty. As the system of calls (under which grassroots possibly gain financial support) lacks coherency, especially in relations with the education policy, distribution of funds seems very much *ad hoc* and inefficient. It has been identified in Romania how (especially for small organizations that lack the capacity to administer large EU grants), the instability of priorities and financial support from local public administration is a problem. Because grassroots organizations focus on community development, they often lack the capacity for preparing and implementing complex fundraising strategies to gain independence from public support.

In both the Czech Republic and Romania, the withdrawal of large-scale and mostly international donors, as a consequence, has narrowed recipients' access to the services which these organizations provide. In a milieu where fund-raising capacities remain one of the weaknesses for most grassroots organizations, the success in attracting funds is more than limited. Grassroots organizations' representatives have also stated how Romanian civic society is divided into two "clusters": those that have the financial capacity to put into action strategic or grant projects financed through structural funds, and those, especially grassroots organizations, that do not have this capacity and, therefore, have no access to this type of funding. Such a situation points to another concern—involvement of grassroots organizations in the development of state funding schemes. If such an involvement is organized at a higher level, it would lead to the development of tailored funding programs which would help ensure that calls for proposals would respond to beneficiaries' needs, and help achieve the desired outcomes and impacts. Finally, this may lead to less "agenda driven" financing trends, and fewer concerns from grassroots

organizations that the authorities will fund only those activities that are compatible with their purposes and goals.

Lack of Recognition and Appreciation

Issue of poor awareness about grassroots organizations' activities was discussed in all of the partner countries. It was stated how civil servants and representatives of authorities often show little desire to comprehend the significance of CSO activities for the community. Austrian partners, in particular, stated that making their work more visible (for policy-makers, as well as for society in general) is one of the challenges that initiatives face continuously. In relation to this, it was perceived by some participants that an unclear strategy of support provided to civil society by local public administration and above, and changing conditions and priorities, would bring instability to CSOs and make it impossible for them to work on a regular basis. For example, even if as part of local strategies, local authorities raised the necessity of grassroots organizations to be involved in the decision-making process, this would still remain just a statement for both parties involved (further contributing to the view that even grassroots associations do not perceive themselves as major actors in the policy arena). They do not get involved in activities influencing public policies, or if they do, they are prone to do so at the local level. As stated by some participants, it is easier to engage in significant and meaningful activities and to make changes at the local level, as personal relationships are usually important for one to make the change. At the national level, it is far more difficult to be involved in discussions and decision-making. There is restricted information about events, and grassroots organizations' capacity to be present when discussions do take place, are much more limited.

Unclear Modes of Communication between Public Representatives and CSOs

Unclear modes of communication between public representatives at various levels and CSOs were spoken about in relation to planning, and the absence of appropriate models of meetings between the parties; in addition this, discussion turned to the possibility that grassroots organizations lack the appropriate skills and capacity to communicate with various actors in a more efficient way, and the ability to obtain human capital.[13] What was seen as a clear problem among participants was the lack of understanding of practical aspects by state administration officials. Grassroots organizations do feel the need to enhance efficiency and their quality of service, but at the same time, there is a lack of skills and insufficient capacity to evaluate the needs of their target groups. Also, com-

13 *Ibid*.

munication with some state authorities is impaired by the lack of time for consultations during the process of modifying existing or adopting new legislations. This often leads to a position in which grassroots associations remain unfamiliar with newly developed procedures. It should be noted that some participants feel that certain ministries in their countries lack standardized mechanisms of communication with the non-profit sector. Powers within and between the ministries are not divided clearly when it comes to communication.

In respect to communication that takes place at the supranational level, several barriers were highlighted in the discussions. Representatives of grassroots organizations stressed the need to have a proper representative for communication at the supranational level. As most of them work at the local level, they concentrate on local problems and cannot dedicate their capacities to the further development of activities outside their area of operation. Yet, having a representative "this high" could facilitate communication and assist in finding partners to deal with similar issues.

Finally it was recognized that some grassroots organizations face challenges in communicating with the general public. Organizations working with socially excluded groups feel a certain degree of stigmatization in connection with their activities. Often, citizens are not willing to take part in activities providing support to groups such as homeless people, those prone to addiction, or minorities. The organizations especially face problems with insufficient funds for proper informational and promotional campaigns, which would allow their engagement with wider communities and enhance their coherence.

In overcoming some of the challenges grassroots organizations feel they face in relation to unclear modes of communication, the necessity to improve communication skills was raised. Thus, messages would be delivered clearly, in a more sustainable manner, leading to constructive solutions. As long as communicative patterns remain unclear, any type of cooperation with other sectors, or attracting support (e.g. financial) from different sources (including the general public) advocacy and policy-level activities will be hindered.

What Else Do Grassroots Organizations Need to Face?

Some of the challenges recognized by the grassroots organizations involved in the project were brought up only by specific countries (such as mutual competition among CSOs, or the administrative burden put on an organization during proposal-writing procedures). For example, Czech and Latvian partners perceive mutual competition among organizations with a similar or even different focus as a substantial problem. They state how CSOs (among themselves, or when collaborating with the general public, local schools, enterprises, or municipalities) do not adopt an integrated approach and work separately.

Often this leads to an ineffective utilization of existing resources, overlaps and/or gaps in providing services and especially unnecessary competition among the actors.

The administrative burdens of proposal writing and project management (especially when related to fundraising activities) were recognized by Romanian, and especially Hungarian, partners as an obstacle hindering the effective functioning of grassroots associations. The main discussion points involved specifics such as the language of calls for proposals, with its area and beneficiary codes, and the timing of calls. Often, the timing of opening budgets for projects is not well-communicated, or the indicative timeframe might be modified after the timeline of calls has been announced; this has a negative impact on grassroots organizations' planning cycle or results. Even when a call is open, modifying the formal criteria of the application procedures can go unnoticed by inexperienced organizations, resulting in rejections even during the first approval stages. In relation to this, the transparency of the selection process was also questioned by the Hungarian participants. They expressed their opinion that the evaluation criteria in the guidance of the calls frequently do not work with clear and objective categories; while opportunities for submitting additional documentation, once an application has been submitted, are frequently not given. Finally, the project frameworks rarely support sectorial or cross-sectorial cooperation projects, thus failing to sustain a holistic approach to community building and social inclusion, and creating unnecessary competition among grassroots organizations (as recognized also by the Czech and Latvian partners).

3. The Grassroots Associations' Perspective: Where do They See their Strengths?

In line with the capability approach, the opportunity to live a good life, rather than the accumulation of resources, is what matters most for well-being. Such opportunities result from the capabilities that people have. Within this framework, resources do not have an intrinsic value; the value is derived from the opportunity that the resources themselves offer to people.[14] Through their daily activities, grassroots organizations work primarily towards, and for, improving aspects related to social and personal well-being. As such, they face challenges, but at the same time, they perceive themselves as having invaluable strengths and insights in the process.

Participants from the Czech Republic perceive that the very strength of CSOs lies in the fact that they are simply there. Throughout history, they have been providing important services for the public. Large numbers of people have been involved in their activities,

14 Anand *et al.* (2005).

especially in the field of sports, environmental issues, or the social sphere. Numerous volunteers are involved, as well, in supporting those activities. Although we have mentioned that the tradition of being involved, as well as the very existence of the non-profit sector, varies from country to county, CSOs do see their strength as the very fact they are there contributing to community development.

In line with that, groups that participated at the roundtable meetings in Latvia gave their vision as to how local resources could be further coordinated for the benefit of the community, fostering, at the same time, cooperation with decision-makers. Their idea was that local schools can become multifunctional centers, working closely with CSOs. Schools are seen as having access to many people, and able to coordinate the delivery of services such as: education and training; vocational education and professional development; cultural education through arts and handcrafts; sports; health protection; and the promotion of healthy lifestyles. The activities can take place with the support of the municipality, local entrepreneurs, volunteers, etc. In this way, new levels of services can be provided for the community at large, while at the same time, relationships with both the administrative and the private sector can be forged.

All the grassroots organizations face challenges in their work. Through the framework of the Grassroots Europe for Local Wellbeing project, they were given opportunities to explore and find out what these practices are in other local areas, as well as in other countries. This was recognized by all the country representatives involved, especially participants from Hungary. The possibility for grassroots organizations to meet in a manner that was available throughout the project gave them a unique experience of exchanging ideas, and also to realize that there are other organizations facing the same challenges, even if they are working with different marginalized groups, and in different locations and levels. Thus, this was also a learning experience for all. According to the participants, learning about different ideas and opinions was enabled and encouraged. They all saw opportunities to develop new contacts and find potential partners for future activities as an important empowering tool.

Romanian participants perceive, as one the possible opportunities, the prospect of promoting common "well-being coalitions" for a sustainable long-term development at the local level. Such associations would bring together different organizations for a common goal: enhancing their ability to support local organizations in education and social fields, helping them to fully engage their human and structural capacities. With a unitary voice, organizations would also have the capacity to participate in drafting local policies for vulnerable and disadvantaged groups, and to participate in legislative modifications that could influence grassroots activities. Similar ideas were provided by partners from Austria, with the creation of a "Panel of Experts," a kind of a grassroots association that could become an ambassador for grassroots interests.

Finally, all representatives agree that grassroots organizations' strengths, without doubt, also lay in the knowledge they possess. They see themselves as experts on the specific issues their activities relate to. Grassroots organizations substitute or complement state services in those areas where service provision is at risk. While they have specific knowledge and skills that nobody else has, and are difficult to obtain, they reach out to those beneficiaries that no other public service or actor does, thus enhancing the maximum impact of policies. They know the social environment well and can be useful as agents influencing the legislative process. At the same time, grassroots organizations are sources of information about specific spheres of social life, offering a pool of new talent (a significant number of high school and university graduates now try to acquire work experience for different grassroots organizations). Thus, grassroots organizations help young people enter the labor market. And last but not least, grassroots organizations help construct the community. As such, this role cannot be substituted.

What are the main lessons drawn from the comparison made? What hinders the everyday activities of grassroots organizations? Firstly, cooperation within the CSO sector, as well as with agents outside the sector, takes place, but remains underdeveloped in nature. It is hindered by non-systematic state support and unclear modes of communication between CSOs and public administration. The lack of material resources further influences the sustainability of CSO activities, as well as their effectiveness and visibility. Secondly, despite challenges, the grassroots organizations are aware of the unique contribution they bring to the public. Their strength lies in this recognition. They have expertise about society that no other sector can provides us. It is through grassroots organizations that differing local demands are articulated and considered at the agenda-setting level. Thus, they are the intermediary arena where both individual and collective capabilities can be enhanced, while improving social and personal well-being.

PART III.

What Lies Ahead? Conclusions and Recommendations

Chapter 9
Conclusions

By Jelena Radišić

Chapters of this publication are a product of the Grassroots Europe for Local Wellbeing project, developed and put into practice through collaboration of civil society education organizations in Austria, the Czech Republic, Hungary, Latvia, and Romania. The project provided European citizens active in the field of education and social inclusion with the prospect of acting together, along with the policy-makers and civil society organizations, at the local, national, and the EU level. It created a community-based, participatory forum, involving a wide range of grassroots education organizations working towards the promotion of local development and local well-being through formal and informal education. The project itself aimed to allow local voices not typically heard to become part of Europe 2020 policy discussions around education integration issues, ensuring valuable interactions between EU decision-makers and those directly affected by the EU policies. Particular emphasis was placed on the involvement of citizens from diverse social and professional backgrounds, and especially the perspectives of disenfranchised groups. In line with the main project idea, representatives from more than 120 European grassroots organizations had the opportunity to have a say in the debates, policy discussions, and the development of project models that would foster local well-being through building a multicultural and inclusive society.

The volume commenced with an analysis of an under-explored relationship between human well-being and the enhancement of collective capabilities, by looking at the role of grassroots organizations. A new perspective on the conditions of capability expansion by voluntary organizations within the framework of policy prioritizing and implementation was proposed, drawing on the capability approach. What is more, we have argued for the inclusion of grassroots organizations' contribution into subjective well-being dimensions. Their importance was underlined in the very connection between social welfare judgments and subjective well-being measurements. Through the process of professionalization, CSO participation in socialization, activation, and democratization have become more and more reflective; while in rethinking and re-evaluating well-being indicators, social cohesion and education measurements are slowly finding their place.

The multi-level structural inferences were considered by exploring the interaction between local realities and European Union policy dimensions with the work of volun-

tary organizations. We considered how, with the White Paper on European Governance, the European Commission has introduced a new approach to European policy, making public consultation a vital tool for improving governance and policy outputs. Since the core activities of grassroots associations are defined through participation, in the course of purposive engagement in public discussions, we examined how the consultation process has evolved at the EU level, and what the existing instruments for involving civil society organizations in EU policy-making are. In the course of adopting the Europe 2020 Strategy, the EU has proposed an "inclusive growth" component. Thus, attention to inclusion and education provided an additional opportunity to adopt a comprehensive approach to attaining well-being for children, and for the most vulnerable groups. The main objective of the Europe 2020 was to draw together the economic, social, and environmental agendas of the EU, in a more structured and coherent way. The EC has proposed continuing the promotion of EU growth, based on knowledge and innovation, high-employment, and in particular, as the delivery of social cohesion in a sustainable perspective, understood in both competitive and environmental terms. As a result, from consultation outcomes, community voices were heard; a large number of stakeholders have been involved in the process.

Within the framework of the project, roundtables were organized, with local, national, and international policy-makers participating in them at equal length. They also attended evaluation meetings and discussed the recommendations that grassroots organizations generated throughout the project. Moreover, contributing further to the final grassroots policy recommendations, the partners created a sustainable model of collaboration, advancing the policy agenda of linking grassroots education voices with policy discussions. The discussions and the issues raised during these events are summarized in the five case studies (Chapters 3–7). Each case study took the subject of engagement a step further by bringing together the practical barriers and challenges grassroots organizations face while improving well-being. In this way, we were provided with a relative basis for evaluating the impact of structural factors affecting community-based initiatives in different contexts. Lack of sustainable cooperation, discontinued communication within and between sectors, the lack of systematic public support, and unclear financial mechanisms were closely investigated as obstacles to a higher degree of engagement for all the countries participating in the project. This is revealed in the cross-national comparison in Chapter 8. The cooperation that takes place within the CSO sector, as well as with the external agents, remains rather underdeveloped. Non-systematic state support and unclear modes of communication between the CSOs and public administration further discourage the process. Lack of material resources further influences the sustainability of CSO activities, as well as their efficacy and visibility.

Yet, despite the challenges grassroots organizations are facing, they are aware of the unique contribution they convey to the public. They possess *know-how* about the society in a way no other sector can provide us with. Through grassroots associations, different local demands are expressed and considered at the agenda-setting level. Thus, they are, and remain, an intermediary arena where both individual and collective capabilities can be enhanced, which in turn advances general aspects related to social and personal well-being. By being involved in this project, the grassroots organizations had an opportunity to further develop their own capabilities, while working in the field of grassroots activism for local well-being, civic engagement, and active citizenship. We believe that individual *know-how*, as well as experiences of good practice, could be distributed across the regions (especially among grassroots organizations facing comparable obstacles in their everyday activities), despite the different contexts they may all come from. Further, the final recommendations for policy-makers that were developed through this exchange represent a step towards enabling the conversion of ideas into concrete actions and measures.

In order for this shift to take place, the crafting of a comprehensive set of solutions that can foster local well-being is needed. At the same time, this design must recognize and strengthen the role of voluntary associations in attaining these objectives. Moreover, it was underlined how, both in up-to-date and future programming, it is of the outmost importance that all relevant stakeholders draw on lessons from recent practices emerging from the public consultation on the Europe 2020 Strategy. A just engagement of grassroots organizations in long-term processes of structural transformation, therefore, must be a continuous one. It has also been recognized that a number of critical issues and barriers lie at different decision-making levels. In diminishing them, a joint approach to both personal and collective well-being is necessary. Although, up until now, the EU has taken important steps towards putting social inclusion and education to the foreground, the comprehensive value of grassroots initiatives is yet to be fully recognized and utilized. In creating a well-designed public policy to foster well-being, the *know-how* and practice of grassroots organizations present critical elements for doing so (as they are, and remain, closest to hard-to-reach groups, and possess hands-on experience). For the decision-makers, ensuring that the necessary conditions be put in place for grassroots organizations' voices to be heard is imperative. From the perspective of the grassroots organizations, those necessary conditions need: stable legislative and financial surroundings; simplified and standardized procedures for obtaining funding; application procedures adapted to the needs and specifics of grassroots organizations; and a grassroots-friendly decision-making environment, where the *know-how* of such organizations is put to adequate use.

Final Recommendations from the Grassroots Europe for Local Wellbeing Conference

October 7–9, 2011, Budapest

In the context of the Grassroots Europe for Local Wellbeing project, more than 120 participants, representing grassroots civil society organisations active in the field of education and social inclusion from five different EU member states, gathered in Budapest for a three-day conference. The conference provided the space for participants to share their experiences, beliefs, and expertise, and to learn from each other by discussing public consultations, professionalization, funding mechanisms, and the concept of well-being,

Having held intense debates and wide-reaching dialogues, the conference participants endorsed the present conclusions and recommendations.

Recommendations

The knowledge and experience of grassroots organizations is an essential element for creating well-designed public policy, as these organizations are closest to the field, and they have hands-on experience. While designing and modifying public policy, decision-makers need to pay special attention to incorporating grassroots organizations' opinions; moreover, they should provide assistance for the necessary conditions to be put in place for grassroots organizations' voices to be heard and listened to.

As underlined in the discussions, it is of utmost importance that grassroots level CSOs have:

- a stabile legislative and financial environment;
- simplified and standardized procedures for accessing financing, with application procedures adapted to the needs and specificities of grassroots organizations;
- a grassroots-friendly decision-making environment, where know-how developed in grassroots organizations is capitalised upon.

Public Consultation

It was recommended the:

- creation of legislation that makes the involvement of grassroots organizations in public consultation obligatory when designing or modifying public policy, promoting the spirit of Article 11.3 of The Treaty on the European Union among member states;
- promotion of actions that would increase the visibility of grassroots activities (i.e. designing annual prizes to be awarded to public bodies or CSOs, operating at the local or national level) for the most effective use of public consultation for advancing the well-being of their communities;
- encouragement and support of two-way dialogue between civil society and all stakeholders, designing efficient instruments to encourage citizens to be better informed and participate more actively in public consultations;
- creation of an interest-based database of grassroots in order to provide policy-makers with a comprehensive database of grassroots organizations that could be invited to public consultations;
- creation of training sessions for EU civil servants to design public consultations, which would allow them to meet grassroots organizations in their daily work and engage in dialogue with them;
- creation of an assessment tool that could easily be used by CSOs to indicate their satisfaction with particular consultation processes initiated at the EU level; similarly, there should be a formalized way to signal the lack of public consultation on issues of crucial importance to both local communities and grassroots work.

Funding Mechanisms

- Use a strategic approach in funding; the funding lines of the state budgets and EU funds should follow specific education and inclusion policies and strategic priorities.
- Introduce additional fiscal benefits for companies which donate, and a new tax category for CSOs, allowing 1–10 percent of taxes to go to CSOs.
- Design long-term financing schemes that would take into account the distribution of financial resources at the local level.
- Establish an access point between grassroots organizations and potential donors (i.e. an internet platform that allows first contact to be established).

- Taking the euro rate versus other currencies into consideration when planning funding at the EU level in multi-annual funding frameworks.
- Complement project-based funding with grants covering operational costs. Public bodies and donors should aim to create appropriate funding schemes for grassroots organizations, which would minimize administrative requirements, and allow them to cover the costs of their basic activities, including overheads.
- Provide support for grassroots organizations, to orient them towards professional fund raising, and reward successful fund raising.
- Promote sustainable solutions useful for grassroots organizations (i.e. social enterprise ideas, selling their own products, etc.).
- Reassess the categories of applicants eligible for funding. Targeted support should be provided to small grassroots organizations which have less capacity to raise funds from international donors or individuals and, in spite of their valuable contribution to the well-being of community, lack infrastructure and resources.
- Change the attitude towards funding from one of competition to cooperation; a cooperation model between European funding programs and locally acting grassroots initiatives could be envisioned to address the problems that the latter face in complying with the necessary requirements of current European funding procedures. This could be encouraged by acknowledging cooperation as a precondition, or as one of the important evaluation criteria in a selection process.
- Shift the focus from a process of granting funding to the project's impact, by paying more attention to the proposed outcomes and impact.
- Promote a transparent funding process, and simplify the procedures related to it; include clearly set criteria for each stage in the funding process; revise procedures so that the documents that have to be submitted are proportional and relevant to the scope and the amount of the grant.

Professionalization

- Respect CSOs as competent partners; acknowledge them as serious, reliable service providers, equal partners; let them do professional work with relevant expert fees.
- Increase the visibility of grassroots organizations' activity, by supporting actions that would make them more noticeable in their own countries (i.e. media centers for CSOs, television space allocated to CSOs, specialized news crew reporting on grassroots work, sharing a social media expert, etc.).

- Create a national institutional group (panel of experts) that would represent grassroots associations as professional partners in political decision-making processes.
- Create support mechanisms that encourage the business sector to get involved with professional CSO activities.
- Better coordinate different support structures existing at the EU and national levels.
- Use easier-to-understand language when communicating EU strategies to voluntary associations.
- Support the creation of an EU-wide platform for sharing experiences, best practices, management successes; establish a database of grassroots organizations, allowing them to network among each other more efficiently.
- Design, with the help of EU funds, advocacy training sessions and capacity building mechanisms for grassroots organizations, and support advocacy as a legitimate activity.

Well-being

- Acknowledge the role of CSOs and grassroots organizations in contributing to the well-being of local communities, and specify clear directions for civil society development in strategic documents, following careful planning and consultation with the stakeholders.
- Include the concept of well-being on decision-makers' agenda when designing or modifying existing social policies; this should also be taken into account when funding systems are developed.
- Include the contribution of grassroots organizations in the design of subjective measurements of well-being, while continuing to develop reliable indicators and measuring tools.
- Design a "social well-being footprint" equivalent to the "ecological footprint" to be taken into account across sectors.
- Include a dimension of flexible adjustment in the implementation process to answer the need for well-being-focused changes that might be necessary after funding is approved, especially in multi-annual projects; use knowledge about well-being in different communities to allow for flexibility in project planning to be taken into account once implementation has started.

- Create incentives for the multiplication of projects which have already proven the enhancement of well-being in a particular community; seek the sustainability of successful solutions.
- Take into account local specificities when designing well-being policies.
- Design a set of criteria, endorsed at the community level, to be used by umbrella organizations in order to systematically inform funding agencies, (potential) donors, and interested stakeholders about the added value that grassroots organizations bring to the well-being of the local community.
- Create additional incentives to promote education for volunteerism (adding volunteerism onto the national curricula, designing a bonus system for volunteers that would be based on assigning ECTS credits or additional weeks of holiday) as a means to increase inclination for community involvement, and consequently the well-being, in local communities.

Annex

Europe 2020 National Targets for Education in Austria, the Czech Republic, Hungary, Latvia, and Romania: *Measures Proposed for Achieving Assumed Targets in the Field of Education*

	Higher education	Early school drop-out	Education in the context of employment
Austria	**Raise the proportion of 30–34 year-old university graduates, or graduates from equivalent post-secondary institutions (ISCED 4a) to 38 percent** • Increasing participation in education, preparing for university studies, and increasing mobility in the tertiary sector • Increasing the number of graduates in natural sciences and technology	**Reduce drop-out rate within the population aged 18–24 to 9.5 percent** • Improving educational levels and lowering the drop-out rate (focus on migrants)	• Attractiveness, quality, and permeability of occupational training (raising awareness and increasing quality and appreciation of apprenticeship) • Development of all-day school models and the National Action Plan for Gender Equality, with the aim of providing a continuous increase of day-care centers for children. • Integrative measures, proposed with respect to women, juvenile persons, older employees, and migrants (also in the context of life-long learning)
Czech Republic	**Raise the proportion of 30–34 year-old university graduates or graduates to 32 percent** • Diversification of higher-education institutions and their functions • Enhancing the quality and relevance of higher-education (external and internal measurement of higher education, system of quality, and performance indicators) • Funding higher-education institutions measures (channeling more funding from private sources, financial support schemes for students, allowing for the subsequent introduction of tuition fees)	**Reduce drop-out rate within the population aged 18–24 to 5.5 percent** • Improving the quality and availability of pre-school education (remove existing regulatory barriers; support the establishment of company nurseries; provide access to pre-school education for children from socially disadvantaged groups; provide financial support to creating qualifications to enter the job market) • Systematic improvements in the quality of education and reform of the primary and secondary education system (better conditions for teaching staff and secondary-education reform)	• The need to match education supply with market demand, and place special emphasis on vocational education (or apprenticeships) • The need to improve the population's financial literacy, as a response to the financial crisis (focus on children and young people, and on long-term adult unemployment, and people with an elementary education); discuss the possibility of incorporating financial literacy education into the curricula of primary schools

	Higher education	Early school drop-out	Education in the context of employment
Hungary	**Raise the proportion of 30–34 year-old university graduates, or graduates, to 30.3 percent** • Reducing study time overhang and drop-out rates • Raising the number of engineering and IT graduates, by launching promotion programs that have already begun in secondary schools	**Reduce the drop-out rate within the population aged 18–24 to 10 percent** • Promoting the success in school of pupils with multiple disadvantages • Public education measures (introduction of a preparatory year after kindergarten education for children who are as yet unfit to enter school, instead of leaving children in the kindergarten for another year)	• Adult training programs aiming to improve skills • Developing the vocational training system and strengthening its labor-market relevance (from grade 9) • Increase the number of tertiary-education courses, and the number of their participants, by revising short-cycle courses matched to the demands of the labor market
Latvia	**Raise the proportion of 30–34 year-old university graduates or graduates to 34–36 percent** • Modernization of higher education (research and education efficiency of universities) • Modernization of the material-technical base of higher-education institutions and raising the efficiency of resource use • Ensure equity in higher education (improving the mechanism of granting scholarships and study loans) • Improve the quality of studies and scientific activities	**Reduce the drop-out rate within the population aged 18–24 to 13.4 percent** • Ensuring the availability of primary and secondary education (setting up an accurate information system on school attendance) • Introducing advanced teaching methods (also covering vocational education institutions and evening schools, development of distance-learning opportunities for adults, modernizing education institutions and improving methodological teaching supplies and environments)	• Structural changes in vocational education (optimizing and differentiating the number and location of vocational education institutions) • Structural reforms in vocational education (focusing on the quality of vocational education and bringing it closer to the demands of the labor market)

Romania	**Raise the proportion of 30–34 year-old university graduates or graduates to 26.7 percent** • Finalizing the National Qualification Framework in Higher Education and its linking with the needs of the labor market • Creating mechanisms for recognizing skills acquired through formal and non-formal education for tertiary-education routes • Fostering participation in tertiary education by means of financial stimuli (setting up a loan system, or providing exemptions of 75 percent from study loans for higher-education graduates who will practice their profession for at least five years in rural areas) • Stimulating life-long learning (completion and adoption of the National Strategy on Lifelong Learning) • Initiation of procedures regarding the ranking of universities into categories based on evaluating study programs and their institutional capacity: prevailing education universities; scientific research and artistic creation universities; and advanced research and education universities • Improvement of the flexibility of the pre-university education system	**Reduce drop-out rate within the population aged 18–24 to 11.3 percent** • Expanding the application framework of early-education reform • Providing the necessary support to prevent early school leaving (developing „School after school" social programs) • Supporting early school leavers' return to school (developing "Second Chance" programs) • Increasing the relevance of students' education and training by streamlining education towards skills formation • Opening schools to the community and business environment, with a focus on disadvantaged areas; developing vocational education and training • Focusing teacher training on those impact/change-oriented fields that encourage school attendance in terms of quality • Development of vocational education and training • Enforcing the "money follows the student" principle, in accordance with the provisions of Law 1/2011 on National Education • Improving the per capita funding formula in primary and secondary education, in accordance with the provisions of Law 1/2011 on National Education	• Reform of the legal framework on adult professional training • Implementation of a simplified EU framework for the recognition of professional qualifications, in terms of reciprocity conditions, between member states

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About the Europe for Citizens Programme

The aim of the Europe for Citizens Programme of the European Commission is to bring Europe closer to its citizens and to enable them to participate fully in the European construction. Through this programme, citizens have the opportunity to be involved in transnational exchanges and cooperation activities, contributing to developing a sense of belonging to common European ideals and encouraging the process of European integration.

The Programme supports a wide range of activities and organisations promoting "active European citizenship", especially the involvement of citizens and civil society organisations in the process of European integration. The general objectives of the Europe for Citizens Programme are the following:

- giving citizens the opportunity to interact and participate in constructing an ever closer Europe, which is democratic and world-oriented, united in and enriched through its cultural diversity, thus developing citizenship of the European Union;
- developing a sense of European identity, based on common values, history and culture;
- fostering a sense of ownership of the European Union among its citizens;
- enhancing tolerance and mutual understanding between European citizens respecting and promoting cultural and linguistic diversity, while contributing to intercultural dialogue.

About Project Partners

Interkulturelles Zentrum (Austria) promotes the development of relations between people of different cultural origin and trains people to carry out practical intercultural work, in particular cross-border cooperation between schools, international youth work, as well as intercultural education and diversity management in Austria. IZ cooperates with international institutions (CoE, EC, UNESCO), Austrian ministries and in other European countries. Since 2007 IZ has been hosting the Austrian Agency for the EU program "Youth in Action".

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Agora CE (Czech Republic) works towards reinforcing democratic principles at various levels of society by encouraging citizen involvement in decision-making, broadening the consultative space for public debate and promoting public debate in Czech society. Since its foundation in 1998, Agora CE has played an active role in developing Czech civil society. The organization transfers the knowledge, skills and experience with new practices in local governance to its partners in its more than twenty citizen participation projects.

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Education Development Center (Latvia) promotes the strengthening of a democratic and civic society in Latvia in order to improve and activate the participation of different groups of the population in the life of the society, to improve their life quality and encourage the cooperation in this field among the state and municipality institutions, the private sector and the individuals as well as to promote the cooperation of different non-governmental organizations thus promoting the sustainable development of Latvia's society.

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The **Public Policy Centre (Romania)** is dedicated to undertaking activities that contribute to inclusive and transparent public policy development at the local level, thus aiding the advancement of effective local governance and improving the democratic character of local policy making in Romania. The mission of the Public Policy Centre is to contribute to the improvement of public policy by conducting independent research, enhancing the information flow, and facilitating policy debate among various policy stakeholders.

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The **Open Society Foundations (Hungary)** work to build vibrant and tolerant democracies whose governments are accountable to their citizens. To achieve this mission, the Foundations seek to shape public policies that assure greater fairness in political, legal, and economic systems and safeguard fundamental rights. On a local level, the Open Society Foundations implement a range of initiatives to advance justice, education, public health, and independent media. The Foundations place a high priority on protecting and improving the lives of people in marginalized communities.

The Grassroots Europe project is managed by the **Education Support Program (ESP)** of the Open Society Foundations. ESP's mission is to support activism, research, policy, and practices that promote education justice.

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