Europe without barriers - the participation of organised civil society

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The purpose of this paper is to explore how State and Civil societies could contribute towards finding solutions to the challenges caused by the global financial crisis.

In this intervention, we will examine what the Agenzia per il terzo settore of the Italian State is going to do in order to support no profit organizations and the civil society in general.

Nowadays, we are in a phase of big transformation, characterized by a lot of people who work in the market, and we are more and more present at consistent development of not capitalistic enterprise forms: cooperative, social enterprise, religious charity, foundations..) and this even in the Est Europe, with a greater growing percentage as regards that average one of the economics.

Based on these facts, this paper aims firstly to examine the Italian experience and then widen the discussion to the International arena.

One of the most important and distinctive characteristic of the Italian view of third sector market is its non capitalistic logic (e.g. social cooperative, economics community, etc):”market”, “civil society” are not separable facts as they are in the typical anglo-saxon view (which is obviously different cultural roots).

Italy is the only country to be provided of a specific law about social enterprise.

By launching the 2001 reform, Italy lay down horizontal subsidiarity principle in the Constitution.

It is stated that: “State, Regions, metropolitans cities, provinces and municipalities promote single citizens and enterprise, for the development of the general interest activities, on the basis of subsidiarity principle” (art.118, paragraph 4).

Having a policy about subsidiarity principle is obviously an extremely important step towards no profit sector development.

In Italy, this fact has anyway secular historical roots: the model of the oldest constitution views NPO’s as a direct way of expressing the opinion of civil society, that is, like a free union of people that are willing to under take a project and taking care of collective and global interests.(ZAMAGNI).

The term Subsidiarity, is another word used for freedom.
It includes the view that human beings are free by nature, not only for their inherent capacity to take decision, but also for their ability to do right thing for himself and for others.

The nature of humans is being social animals for which the concept of society has an original dimension, linked to basic human needs instead being merely the fruit of a contract that aims to limit consequences of a Hobbesian “wolf man”.

Evidence to date shows that the development theories based on interventions planned at the top level are destined to become unsuccessful if the bottom level motivation is missing. It’s important to recognized the true value of the capacity that local people may have; such as the assignment of Nobel prize to Yunus for microcredit.

Civil Society Organizations (CSO) have a crucial role in modern democracy; “the very original role of CSO is one of emergentist type, it implies that NPOs’ entrance on stage, brings all the pre-existing relations among civil society and State into discussion.

It’s not about forming new relationships and adding to the ones relation to that already in existence, but to change their nature.” (ZAMAGNI).

The value of civil society and State is not only the one that can be measured by the results obtained (simple efficiency), but instead it emerges from the ability to produce relational goods, in other words the social cohesion.

In this period of economic depression, it is worthwhile to note that what we need to rebuild is trust, the truth of relationship and re-exploring the real value of things.

The recent global crisis has damaged badly an essential component of social capital and market economy: trust. Only civil society can help to rebuild the missing trust in relationship.

In this concept, one also needs to consider the links between globalisation and subsidiarity.

The traditional forms of political representation are also passing through a period of crisis and thus the political dimension of organized civil society should also be recovered. This is because subsidiarity is a fundamental principle of democracy.

As Benedetto XVI states in his first encyclical Deus Caritas est:” The State wants to provide everything, it absorbs all in itself, finally becoming a burocratic instance which cannot ensure to give what the suffering human being – everyone – needs: personal dedication based on affection.

we don’t need a State which rules and controls all, but a State which generously recognizes and supports, in line with the subsidiarity principle, initiative arising from different social strengths.

A fundamental translation of the subsidiarity principle from a different point of view is its fiscal declination. Today, the old principle “no taxation without representation” has lost its relevance: Factors such as globalization, growing importance of National executives and International institutions have various effects on the fiscal policy and thus have caused
fiscal democracy paradigm to lose ground. Therefore, we need a tool that is able to allocate fiscal sovereignty.

At this point, I would like to highlight an important application of the fiscal subsidiariety principle, or the five per thousand mechanism. Introduced in 2006, The five per thousand allows the contributors to indicate a number of non profit bodies to whom they wish to direct their tax amount. The contributors are given the opportunity to choose one specific body to direct their taxes.

I would like to provide some data about the first year of this principle’s application.

The results exceeded expectations: approximately 60% of the contributors (16 millions over an amount of 26) have made destination choice. Among these 8,5 million preferred non profit sector, of which less than 10% were general, meaning that they did not indicate the recipient.

Many other European countries (Hungary, Lithuania, Romania, Slovakia, Poland, Slovenia and firstly Portugal and Spain…), introduced a similar mechanism. However, Italy differentiates itself in the fact that the amounts don’t flow in a national fund, if necessary administered together with NPO, but instead it’s foreseen a overburdened chance for the contributor.

This is an innovative instrument about subsidiariety, it undermines policy monopoly, gives new blood to the civil society sovereignty and tend to transform State’s role from the manager (of rain funds and supplier of services in monopoly’ system) to regulator/warrantor; which implies a transformation from welfare state to welfare society.

Furthermore, the five per thousand mechanism has favoured the development of accountability or transparency of NPO’s who should more carefully review their ways of spending in order to become candidates again for the amount destinations. Therefore, it is possible to say that this mechanism initiates a new cycle that stimulate and facilitates the acknowledgment of meritorious bodies who are induced to increase their visibility in a more conscious and informed way.

For this purpose guidelines (not binding ethical and conduct code) that aim to establish moral suasion are produced.

This reminds me of the guidelines of the Agenzia per le Onlus which are focused on themes such as operational budgets and on social budget of non profit bodies fundraising, distance adoption, NPO registrations etc.

Coming back to the main discussion on financing of on NPO’s, it should be made clear that tout court economic support doesn’t guarantee the participation of organized civil society– of which third sector realities are expressions – to the public life.

In terms of financial resources, with references on the entrance sources I would like to cite some data by ISTAT 1999 (first relegation of charity in Italy):
NPO’s depend on the public sector not only because the public sector is a main source of grant and aid (that weigh about 8,5% on the total of income), but above all because the public sector is the main purchaser (27,5% of income) that finance the services supplied by third sector. Private sector results as much important on the activity of commit (26,4%) on the total of entrant, for which donation activity is less incisive.

Apart for 5 per mille measure, recent dispositions as to tax deductibility (give more less pay, L.80/2005) have notably encouraged contributors in the same way.

In fact, just big dimension NPO seem to be those that occur to the public funds.

Another peculiarity of the Italian system is the extreme heterogeneity of organitizational forms and the presence of a lot of many small facts; this situation on one side shows a wealth, on the other hand tends to favour particularism, adversity, antagonism in the access to the public funds, inability to do net, make partnership and long time relations.

In this way, weaknesses of so-called umbrella organizations (second level association with indirect membership) the negative effect of a modest number of agreements and a limited ability of communication.

Moreover, we are faced with the unsolved problems of representation which should not be ignored if the third sector really wishes to become a social part, a speaker recognised by private and public institutions, and not a niche experience, for which there are strong values and where advocacy (..), as a moral reserve at disposal of different actors of the society.

The complex topic of CSO representation will not be examine deeply here a sit is out of the scope of this paper. However, it is a way of simply extending the discussion to the access to European funds for non profit agencies. The European Union is a politic arena that is open to the activities of several interest groups who organized to make pressure on public decision makers and brings their “policy” choices in line with their interest.

Among them there are groups which represent wider public interests : consumers, environmentalism, problems related to immigration, equal opportunities etc.

The political pressure on communitarian institutions accelerated after the Single European Act in 1987 and Maastricht Treaty in 1992 through which has been approved the “Protocol on social politics” has extended the communitarian competencies to the social sector whose one of the main goals is the “promotion of the social dialogue”.

the milestone was then identified as a strategy during the European Council in Lisbon in 2000.

It is based on 3 principal points: economic, environmental and social, giving to the social economy an important institutional role.

On the non profit organizations side the access to the European founds depends on the communitarian way of action, later translated later in the national strategic framework by dictating the strategies and priorities of developing regional policies.

According to the equal program 2001-2006, the role of Italy in the destination of European funds can be summarized on 5 thematic areas:
1. Participation in the labour market and reduction of racism phenomena
2. Training courses
3. Creation of a social economy
4. Conciliate of the private and professional life
5. Equal opportunities

In the international arena Italy seems to be the country with the highest rate of participation to the Equal Program. Italy has created 696 projects, which represent the 21% of the total. Therefore, Italy first ranks among all European Countries in financed projects, followed by France, Spain and Germany.

However, the amount of founds for all those different projects seems to be lower than other countries.

The situation of Southern Italy is quite different.

Unfortunately, all the intervention between 2000 and 2006 were found to be inefficient while other countries are observed to utilize the communitarian funds in a better way, above all in the field of cooperation. Undoubtedly, the high fragmentation due to an high level of localism is an important factor causing this phenomenon. However, other factors such as the absence of a third sector bodies in the planning process different character with the public administrations, the high level of bureaucracy in the access to funds and the absence of integration have also important effects.

What is important is not only the funds raised for CSO’s but also the monitoring of the results obtained. By launching the 2000-2006 programme, EU gave more importance to the monitoring of the results especially through a specific term about the goals and programs that each country has to respect. In this concept, one may wish to know the most suitable indicators that should be used in order to find the value of the social efficacy of interventions. In other words, how can we measure the Social Value added?

At the heart of discussion lies these two questions:

- How to increase civil society participation and decrease the gap between institutions and citizens through ONP funding?

And

- How not to simplify the grant supply as a mere money distribution, without a cultural accompaniment to the active citizenship?

At European level, it is not possible to find the solution in a mere reduction of complicated procedures for having access to communitarian funds. In this context what is more important is the identification and diffusion of best practices in vicious cycles of networks, and in this field our onlus agency has already played an active role.

The promotion of study and research are already included in the institutional activities of our agency part of our agency. In this concept, areas of research interest could be the ex-post data gathering on the use of the communitarian funds, proposing new indicators that can measure the efficacy of investments and trying to reduce the level of bureaucracy in the procedures to gain access to communitarian funds.
Therefore, our Agency acts as a facilitator of the relationship between the third sector and the public administration. In this context it is useful to mention about the recent collaboration between the Ministry of Labour, Health and the Department of Social Politics of the Agency for the activation of a “social card” that aims to support families and older people with the economic problems. So our agency has taken a catalyst function through forming a direct relationship with those organizations and bodies that are closer to disadvantaged groups.

To summarize, the activities of our Agency are based on:

- Elaboration of “moral suasion" instruments in order to favour the transparency and recognition of virtuous realities by the citizens. For this purpose, guidelines that regularize the activities in different aspects are produced.
- With the purpose of increasing the visibility of NPO statistics, Italy is preparing the second ISTAT census of those non profit organizations that will be formed in 2009. Our agency is also playing an important role by collaborating on contents of surveys.

In conclusion, since the beginning of our activities, our Agency has brought into reality the importance of associative reality that our Agency gave as a propeller of social reality.

The first important International event that we undertook in 2003 is called “The third sector and civil society in setting up the European social space”.

The idea that emerged from this event still continues to be valid: the growing need for mutual recognition between public institutions and the third sector is fundamental step in encouraging the real participation of civil society.