

Report: Meeting of the Task Force on Civic Space Monitoring

Strasbourg, October 14, 2024

After welcoming the participants, Jean Louis Durand Drouhin (ESAN) announced that this is the inaugural meeting of the “Task Force for Civic Space Monitoring.” He recalled a preliminary meeting held last April within the framework of the Conference of INGOs, which followed an alert issued by ARCI, a member of the ESAN Network, regarding Italy's reform of the Third Sector. This reform introduces market principles, pressuring associations to adopt corporate-style operations. That initial meeting, attended by Jeremy Mac Bride, President of the Expert Committee, highlighted both the growing number and the diversity of threats to the rights and freedoms of associations. Numerous associations feel threatened, with some facing efforts to undermine their purpose, limit their resources, or co-opt their activities.

The political landscape in Europe has evolved following the European and various national elections, giving this topic particular urgency. It is within this context that the inaugural meeting of the “Task Force for Civic Space Monitoring” is held.

Today's agenda includes:

1. Presentation and discussion of the findings of the Citizen Observatory's report on the commercialization and financialization of associations, led by Marianne Langlet from the French-based Collective of Citizen Associations, the initiator of this Observatory.
2. Discussion on the role, goals, and functions of the Task Force as a monitoring, alerting, and support instrument for associations in difficulty.

1) Presentation and Discussion of the Report on the Commercialization and Financialization of Associations

(The full presentation text by Marianne Langlet is attached to this report; only the key points of the discussion are summarized here.)

Definition of Commercialization:

- Marianne Langlet explains that this commercialization is significantly influenced by “New Public Management” and European Public Market standards, which treat associations as commercial enterprises. Associations are therefore subjected to market processes, and operating subsidies are viewed as state aid subject to free-market competition rules.
- This European framework encourages the use of competitive bidding rather than operating subsidies in France. This shift changes the relationship between public authorities and associations, reducing them to “service providers” and diminishing their roles in political and social advocacy, as well as their autonomy and capacity to defend fundamental human rights.

Changes in Funding:

- Marianne Langlet notes that in France, for instance, the share of subsidies in association revenue decreased by 41% from 2005 to 2017, while the share of commercial resources increased by 34%. This shift toward commercial funding weakens the social fabric function of associations, often excluding the most vulnerable individuals.

Impact of Financialization:

- Social entrepreneurship, which promotes private-sector techniques to solve social and environmental issues, supports the growth of impact investment, driven by the financial sector in Europe. This financialization encourages associations to transform their activities into investment products based on performance-based payment, imposing restrictive conditions on associative freedoms and advocacy capacity. These approaches often overshadow public-interest missions and reduce associations to market-driven entities.

2) Discussion Highlights

Italy (Marco Mini, ARCI):

- Marco highlights that the Third Sector Law in Italy imposes increased bureaucratic control over associations and amplifies their reliance on commercial funding, compromising their autonomy. The current framework forces them into the role of public service providers, limiting their freedom of action.

Netherlands (Harry Hummel, CURE Campaign):

- Harry describes the transformation of social housing associations into quasi-commercial entities, which undermines their original social mission. He advises associations to decline government funding if it binds them to private market rules to preserve their independence.

Belgium:

- Some small religious groups in Belgium face challenges in opening bank accounts due to low transaction volumes, which complicates anti-money laundering compliance. This “debancarization” severely limits their operational capacity. The Minister intervened to defend their rights. Additionally, since 2021, associations in Belgium have been included in the Corporate Code, raising concerns about their status and funding.

Norway and Sweden:

- Christian Hellevang (FUG) provides insights into the Nordic countries, noting that volunteers are often compensated, which creates a distinct model. He observes an increasing integration of the municipal associative sector with fiscal constraints and private sector expectations, threatening autonomous action spaces.

Switzerland:

- Cyril Ritchie, representing CIVICUS at the Conference of INGOs, recalls being the first President of the Expert Committee, which recently published a report on the stigmatization of associations in Europe. He stresses that while business methods can benefit some associations, social entrepreneurship should not be stigmatized. He notes that CIVICUS publishes an annual report on the state of civil society and that significant data has been gathered by the Fundamental Rights Agency. He also emphasizes the importance of working closely with the Standing Committee of the Conference and the Parliamentary Assembly.

Members of the CCEG (Simon Freudig, Bernhard Mergel, Mathilde Cornu from Switzerland, Germany, and France):

- They propose the creation of an inter-European association to foster better cooperation among French- and German-speaking INGOs.

In conclusion, Marianne Langlet reiterates that the concept of non-profit status varies significantly among European countries and at the EU level. A robust definition is essential to protect the concept of public interest. It is also crucial to shield associations from market forces by integrating them into the category of non-economic general-interest services at the European level. Such integration would enable states to maintain and enhance operating subsidies.

2) Proposals for a Monitoring, Alert, and Support Mechanism for Associations:

- An initial survey by the Conference Secretariat identified multiple bodies, organizations, and networks engaged in monitoring and identifying violations of the rights and freedoms of associations across Europe (e.g., the EU Fundamental Rights Agency/FRA, the international association CIVICUS, the European Civic Forum, and the European Center for Not-for-Profit Law, which publishes the CSO Meter barometer).
- Lotta Valtonen (CoE) reports that the FRA is currently mapping the civic space, which could be integrated into our Task Force. This work is crucial for establishing policies that support core values.

Given the existing efforts by various actors, particularly under the FRA's initiative, the Task Force, within the framework of the Conference and in conjunction with the Expert Committee, could serve as a platform for exchanges, convergence, and resource-sharing. Additionally, it is necessary to establish mechanisms for assisting and supporting associations in difficulty. If feasible outside the social sphere, the Task Force could contribute to drafting Recommendations and developing Collective Complaints, tools adopted by the Conference.

Conclusion

1. It was decided to maintain contact with the associations present at the meeting.
2. A meeting report will be sent to each attendee, inviting them to refine and expand on their comments.
3. A follow-up meeting is planned for the Spring session of the Conference (with one or two interim virtual meetings).
4. Further exploration of the commercialization of associations will continue, with a second report from the Observatory delving into possible "de-commercialization" strategies, which may be presented at the Spring session.
5. On these same topics, a draft map of Europe should be considered to cross-reference various observations on the processes of commercialization and financialization of associations and to monitor mechanisms that undermine associative freedoms and weaken the European civic space.
6. In collaboration with the Presidency Secretariat, contacts will be established with several organizations committed to monitoring and identifying infringements on association rights and freedoms, as well as defending the role of civil society, to explore cooperative and resource-sharing opportunities within the specific framework of the Conference of INGOs.

The proposal to create a monitoring, alert, and support mechanism within the Conference received strong support, as did the idea of converging various civic monitoring initiatives across Europe. The ultimate goal remains the implementation of initiatives to strengthen the autonomy and social missions of associations, so they may continue to play a critical role in defending fundamental rights.