

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

RISKS AND OPPORTUNITIES



European Economic and Social Committee

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

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Short summary

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

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

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

Main findings and analysis

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

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

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

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

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

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

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

Risks for Civil Society

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

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

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

Opportunities

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

The present situation offers a once-in-a-lifetime opportunity to debate on how civil society as a whole relates to policymakers, particularly looking at how we can develop frameworks for facilitating non-institutional innovations to be promoted and sustained within the institutional frameworks of the NESCs as well as at the EU level.

Recommendations

□□□□□□ EESC:

- Think more about engagement and participation of Citizens in CSOs in order to ensure that we maintain an active and democratic society based on principles of justice, equality and fairness.
- Develop mechanisms to encourage and support bottom-up actions that can be made sustainable: 'organising without formalising.' In order to do so, it is necessary to first recognise that civil society is increasingly unstructured, mobile, and very often purposely not bound to any institutional framework.
- Ensure that this engagement spans across the different Groups within the EESC, in order to ensure that the maximum benefit is gained from the different levels of needs, whilst also maximising engagement opportunities.

For CSOs (in general)

- Increase professionalization of CSOs: better organization, enhanced communication strategies, more effective delivery (where appropriate) and organization of the 'back offices,' in order to ensure that an effective 'discourse' is used when talking to politicians and policymakers.
- Encourage cross-sectoral engagement and interaction between different civil society groups, by providing opportunities for such initiatives to take place at the local, national and transnational levels. The role for the NESCs and equivalents should be of great importance here.
- Help the national ESCs and their equivalents to engage in supporting the activities of civil society in their own regions and countries by enhanced networking and engaged discourse within and amongst their European partners. This message must be more widely spread at the national and sub-national level through different channels, perhaps engaging with social media in more creative ways.

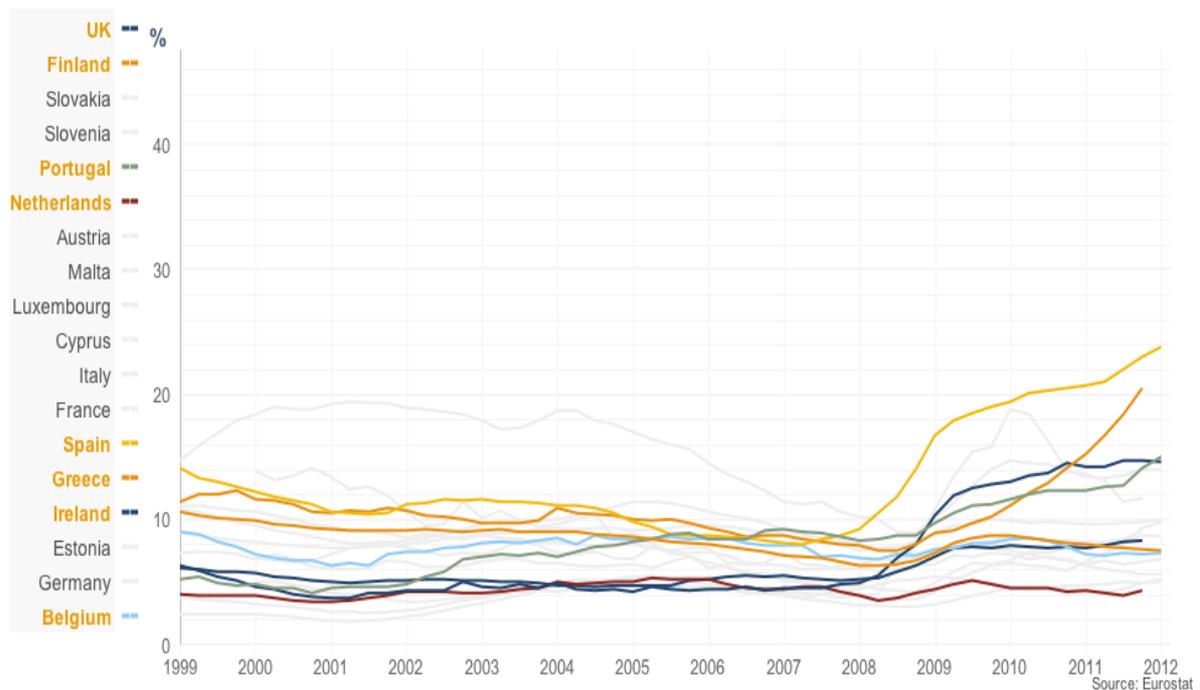
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Part I: Impact of Financial Crisis

1. What is the financial crisis and what is the impact on Civil Society Organisations?

Europe faces a crisis of immense proportions. National economy after national economy is utilizing drastic measures to reform s finances and to reassess s priorities. As a consequence, we have entered what is widely accepted to be an 'age of austerity.'



Unemployment in selected EU countries in the aftermath of the Euro Financial Crisis (Source BBC website)

The systemic economic failures that we see on our television screens during the evening news are not restricted to the public sector, but touch all sectors of society. In the United Kingdom, the economy has slid into its second economic depression in four years, the increase in unemployment has been marked, and protest and contestation movements increase across the country. The rise in unemployment is a point of concern for all governments in Europe. EU policy always focuses on economic growth and employment. However: this time, the scale of the challenge is quantitatively enormous. Yet ironically despite the economic and social misery there are pockets of opportunity to be found in the ways that civil society promotes - in the motto of the current Cypriot Presidency - 'a better Europe.'

Governments are now wary about spending. There is a clear focus on achieving 'value for money.' This obviously has consequences for the sectors in society that are dependent, in one way or another, on public support for their activities. Governments are also becoming aware (some quicker than others) that there are opportunities to engage with civil society. The third sector has specific capacities for carrying out effective action where governments are unable to deliver services, or structurally incapable of supporting activity.

Almost every single Civil Society Organisation (CSO) contacted in this study has carried out some sort of internal review of the impact of the crisis on its operations and membership (see the bibliography for a sample of these documents). These have painted different, and very complex stories of how the crisis has an impact on the day-to-day activities and realizable goals of the organisations.

For example, the above figure showing the dramatic rise in unemployment across many EU countries since 2008 raises some important questions. On the one hand, this highlights the need for a raised awareness of the fate of the unemployed. On the other hand, as one CSO leader in Central London put it: 'We now have many more people with specific skills that are able and willing to help us out.'

Thus times of crisis may produce some changes that are positive. This study sets out some of the challenges – but also the opportunities – that have emerged for civil society in light of the Crisis. It provides a few examples of the wealth of activity that has gone on in the world of civil society beyond the initial shocks of the collapse of Lehmann Brothers and other financial institutions across Europe. **In doing so, it tries to show where European Civil Society can go forward in a constructive way, and how the EU's institutions can help to ensure that Civil Society remains resilient despite the quest to 'balance the books'.**

The complexity of the problem across Europe is marked by a whole range of different issues. There are, first of all, different organizational structures both in varying sectors and in member states which make a European response difficult to coordinate in the EU. This has led to different approaches to dealing with the challenges posed by the shift to austerity. In addition to the organizational variety, there are cultural and political differences that have led to a variety of different pathways for Civil Society to deal with the Crisis.

2. Specific consequences for voice, funding, opportunity and engagement

Whilst national governments and the European Union's institutions are key actors in the 'dealing with the Crisis' landscape, civil society organizations (CSOs) are vital players in facilitating the response. Indeed, CSOs are necessary to the successful functioning of European models of democracy. These organizations play the role of intermediary between governments and citizens, and are capable of carrying out a bi-directional facilitation role. They provide support to policymaking processes, and at the same time facilitate legitimisation of the decision making process by increasing opportunities for participation. CSOs act as participants in, advisers, consultants and partners to governments, while at the same time acting as advocates and watchdogs. How will this work in the new period of austerity that appears to have gripped most of the EU's member states? Citizens rely on CSOs to provide them with information on potentially controversial activities of governments and they also use them to represent certain interests in dialogue with governments. Has CSO capacity decreased or have they been 'filling the vacuum'? What is their relationship to policymakers in light of the successive crises and their consequences: is there a bigger role for them in the democratic process? Does 'austerity' from the public sector mean that CSOs now need to fill new spaces, thereby generating new modes of governance?

The crisis has on the one hand increased the need for civil society engagement in providing services and support, yet on the other hand put these organizations in danger. Many civil society organizations depend on government funding, which is - or will shortly be - decreasing. The participants in CSOs may also be financially handicapped by the crisis as well, leading to a potential double problematic when it comes to financial support. A further (perhaps ironic) note is that the crisis has worked as a mobilizing force, bringing citizens out in new forms of engagement and economic activity. Perhaps paradoxically, some of the risks of the financial crisis may spur civil society creativity and new forms of engagement.

National and Economic and Social Committees (NESC) or similar institutions as representatives of civil society, are natural key partners to CSOs and governments. Their role as conduits towards European discussions should not be underestimated. Their role also needs to be examined to see whether potentials lie in enhanced cooperation between these bodies and the EESC as an organ of the EU particularly in times of crisis. What is the role of CSOs at the EU level? What are potential benefits in coordinating further within such institutions as the EESC? One added value of this study will be to highlight specific opportunities for the EESC members to engage with CSOs and facilitate improvements in the national decision making processes.

In this age of austerity and financial uncertainty; governments are emerging as seemingly 'powerless' to deal with the crises, and are increasingly changing their attitudes towards the support of civil society. This can provoke challenges to the perception of how these relations are working, and how they are being designed to work in the future.



Democracy, participation and inclusion are integral parts of European society and founding principles of EU policies and initiatives. In fact, the promotion of European diversity by fostering participation and inclusion in a democratic society based on values such as freedom, tolerance, equality, solidarity though pluralism, cultural and linguistic diversity is at the heart of many policies and strategies. This is particularly the case in opening up decision making to consultative procedures and processes, and thereby engaging as many actors and stakeholders in society as possible. Evidence from the regions most threatened by financial austerity measures shows new forms of mobilization and rethinking, even as some organizations are crushed by the burden. Perhaps the financial and socio-economic crisis, which has now emerged as a fundamental crisis of the EU's role in European society, can be seen as an opportunity to rejuvenate the ambitions of civil society to find a different, and potentially more productive and co-operative role in decision-making processes. As is shown in this study, there are examples from certain corners of Europe which show that there is, in some circumstances, an opportunity to rethink the meaning of democratic participation in policymaking. Many of these opportunities illustrate the potential for civil society in all of its different colours to facilitate better, more constructive, engaged and fulfilling lives for European citizens.

Measures taken by politicians and policymakers in most European countries in order to deal with the Crisis have had a direct impact on how societies operate. The impact on Civil Society Organisations is potentially very profound. We can expect an impact in many areas, and here we focus on four. Given the financial origins of the crisis, economic resources is first concern. How is *funding* affected? Secondly, to what extent has the crisis affected the *voice* of civil society? Can it still make noise? Thirdly, how has the crisis affected the *opportunities* for civil society to have an impact? Finally where do citizens stand in civil society today in terms of *engagement*? These are four specific areas where we can expect that the relationship between CSOs and political institutions and policymaking actors have been affected.

2.1. Funding

Civil Society Organisations need economic resources to stay afloat. One of the most important aspects of the financial crisis has been a sharp turn towards 'austerity' in many European countries, with the objective of reducing public deficits and strengthening the financial health of the public coffers. Obviously, this can have a negative effect on CSOs when it comes to seeking public funds for the meeting of Civil Society objectives. Therefore, a vital dimensions to consider when examining the impact of the financial crisis on Civil Society Organisations is that of funding for their activities.

Traditionally, CSOs – as understood by the European Economic and Social Committee – have received financing from various sources. One of the major providers of support has often been the state, which has experienced large problems in its ability to provide funding in recent years. Other sources of financing for CSOs include membership fees, project-based financing for European-level activities or philanthropic donations from individuals or corporations.

As has been presented in other studies carried out for Group II of the Economic and Social Committee, there have been severe consequences resulting from the impact of the EU's sovereign debt crisis, and these have been felt by all actors in the EESC framework. Most notably, much discussion revolves around the impact of the austerity measures on public financing for the civil society sector, an area that in many countries was already systematically short of public funds.¹

¹ See, of note, the studies carried out in the context of Group II's work on the impact of Anti-crisis measures on specific countries.

2.2. Voice

The voice of Civil Society Organisations refers to the way in which Civil Society Organisations are capable of 'speaking' to the outside world. This is about how the organisations develop and disseminate a message vis-à-vis other actors in the policy frameworks in which they are engaged.

Traditionally, Civil Society Organisations have had voice through a few principal channels:

- Through the media, i.e. to the wider public
- Through their own communications networks
- In their interactions with other CSOs
- In their interactions with policymakers

With the onset of the crisis, the challenge is to see whether, on the one hand, the capacity for CSOs to deliver a message has been affected, and, on the other hand, whether the message has been changed due to the Crisis. Much work is underway in the field of 'social innovation,' Through such innovations, such as creatively using the potential of social media CSOs can become more dynamic and innovative in their methods for making sure that their voice is heard. This study evaluated these options, and tried to find examples of such activity.

Despite the focus on organising and engaging citizens in contestation against the various implications of the Crisis in most EU states, there have been some very innovative movements towards building coherence in constructive voices in order to deal with the crisis. However, the **sustainability of these initiatives has emerged as a key issue, as the aftermath of protest appears far more difficult to manage, given the limited long-term resources available.**

2.3. Opportunity

The 'opportunities' afforded to Civil Society Organisations consist of a very important dimension to the shape of CSO relations with policymakers: essentially, this dimension of the investigation examines the doorways that are possible for civil society and the ways in which they may have been diminished or altered. In what ways have CSOs changed their approach to finding the opportunities to speak with policymakers? Do they look for or are they offered new doors and windows?. In which forums do these discussions now take place, and what types of relations with policymakers are now prevalent?

Traditionally, the relationships between CSOs and policymakers have been very much driven by issues and have therefore taken place in the context of forums focused on specific issues. For example, CSOs dealing with cultural issues have often been involved in negotiations with Ministries of Culture. The crisis may force organizations to seek out new allies and address different policy interlocuters who may offer other options.

Briefly, the **socio-economic crisis triggered by the financial crisis in Europe has resulted in an increased need for CSOs to work hand in hand with governments to solve these pressing problems that have emerged, in part, as the result of the crisis.** In many countries (Poland and Romania are examples), political stalemate has meant that interaction between Civil Society Organisations and political actors has been 'left in the lurch' whilst decisions are made about structures and allocation of political responsibility are made.

2.4. Engagement

The issue of engagement between CSOs and the wider groups of citizens is a crucial issue addressed in this study. How has engagement emerged as a consequence of the Crisis? Have citizens been easier to engage or more difficult as a result of austerity measures?

Engagement is possibly the most complex of all the dimensions, and is one of the most contested, as well as most recurrent, issue in European representative democracies. This is particularly noticeable when looking at a diverse set of organisations, including the entire range of CSOs in an analysis, from large transnational ones to small local ones. It is very difficult to attempt to assign a value to the level of engagement. However, shifts and trends in involvement of citizens can be seen.

One of the key findings of this overview is that engagement is transforming from a discussion about general political principals into an active perception of engagement as a social (as well as a political) activity. Hence, there is a potential for shifts in the role of civil society in policymaking and implementation. In this sense, **social media (as well as ICT developments in general) has played an important role in facilitating engagement of citizens in various social actions.**

Each of the dimensions raised above are dynamic and complex. There is no simple way of explaining the way in which CSOs interact with policymakers, and the Crisis does not increase the simplicity of the analysis. This study demonstrate's some of t the shifts along these dimensions, and how this has created a different landscape in which Civil Society can work in Europe.

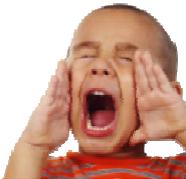
Part II: Analysis of CSO capacity to deal with financial and socio-economic crisis

This part of the study examines how CSOs have been affected by the Financial Crisis, in terms of their capacity to deal with the changing dynamics of their relationships with policymaking institutions.

3. Clustering

The response to the crisis by Civil Society Organisations across the European Union has been measured in a few countries – notably: Belgium, the UK, the Netherlands, Spain, Poland, Hungary, Romania, Greece and Italy – with attempts to choose countries that display different approaches to dealing with the challenges that this has posed.

A whole range of responses from CSOs to the Crisis can be witnessed. In keeping with the diversity of the European CSO structures, these responses have also been very diverse. However, our research has noted that there are several areas, or clusters, of specific reactions that can be seen. These vary according to a whole set of variables: from geographic location of the CSO, to size of the body.

Problematic issues and areas for concern for CSOs				
	Funding	Voice	Opportunities	Engagement
				
CSOs North EU	Area for concern		Problematic issues	Problematic issues
CSOs South EU	Problematic issues			Problematic issues
Large CSOs				
Small CSOs	Problematic issues in all dimensions			
Local CSOs				Problematic issues
National CSOs				Problematic issues
European CSOs	Area for concern in all dimensions			

The clustering used here is driven by five separate variables, which are denoted in the above table. **Some boxes highlight the fact that our investigations determined that this issue was**

problematic for the clustered group; other indicates that the issue is an area for concern. Where the box is empty, we did not identify a major issue at stake during our investigations. This clustering is not comprehensive or exclusive, but serves to provide an illustration as to where those extremes of the impact of the crisis have been felt. The concerns of ‘old’ and ‘new’ members of the EU (i.e. those that have joined since 2003), are also seen to be different, and problematic in their own ways, but these are difficult for other reasons that need to be elaborated elsewhere. The considerations in many of the post-Communist countries are linked to the political of the national Economic and Social Committees in those countries (in for example Romania, where the NESC is purportedly in deadlock due to changes in political structures in the country). This has meant that, as in other new Member States, the potential impact of the crisis has not yet reached its peak.

3.1. North-South CSO responses

North versus South: strategies with positive results	
CSOs in North EU	Proactive approach towards interaction with policy-makers
CSOs in South EU	Collaboration instead of competition between CSOs

Countries such as Greece, Spain, Italy and others in what is loosely called the ‘South’ of Europe show distinct problems relating to funding of CSOs after the Crisis. Many of these organisations were traditionally supported by the states in the region, and have been victims of the austerity measures that have been put in place. In the ‘North’ of Europe, countries such as the Scandinavian ones have had far less problems with funding, although cuts have been apparent. ‘Southern’ European CSOs have started to look toward EU funding (through participation in projects) as a sustainable alternative to public funding.

In one instance from **Greece**, one respondent claimed that the *“emerging trend is that of turning back the clock on industrial relations: under the ‘financial crisis’ pretext, the government has summarily stipulated dozens of legal provisions that diminish the unions’ bargaining power, restrict or abolish collective agreements and obstruct collective bargaining. The Unions’ ‘voice’ is stifled as its functioning role is undermined...”*

The Unions’ “voice” is stifled as its functioning role is undermined...

This kind of activity has elicited a sense of solidarity within and across CSOs in Greece, according to the interviewee. This was reinforced by an interviewee from Spain, who stated that CSOs now have *“a better sense of civil society as a whole, from an isolated previous approach...”*

the dialogue with other civil society organisations has been positive, in terms of [a] common 'manifesto' in defence of public service."

Again in **Spain**, the opportunity for CSOs to interact with policymakers has been drastically reduced due to the decreased capacity for policymakers to be coherent in their responses to demands: *"the decision capacity of policymakers has been reduced due to recession plans, cut, and the economic climate,"* according to one interviewee.

"the decision capacity of policymakers has been reduced due to recession plans, cuts, and the economic climate"

This can be placed in contrast to, for example, the **Netherlands**, where, although there are cuts being made, CSOs appear to try to work with policymakers to find alternatives to reducing budgets for their activities: *"In order to aid politicians we do not only comment on budget cuts in our sector but advise them in possible alternatives..."*. However, the same interviewee goes on to say that 'the focus of policymakers has [changed]... All focus is on budget cuts... [it] has switched from good policy initiatives to budget controlled initiatives.' Regarding the way in which CSOs have to relate to policymakers, we are told: *"we need to prepare our interactions better, we need to bring better documented plans to the table."*

"We need to prepare our interactions better, we need to bring better documented plans to the table."

The **Belgian** response to the social effects of the Financial Crisis have also been somewhat varied, depending upon the part of the country. In the Flemish Community, CSOs have already seen substantial cuts to government subsidies. These are not yet apparent, but expected, in the French-speaking Community of Belgium. This has meant that attempts to diversify sources of income have become necessary elements of CSO activity (see especially the Roi Baudoin Foundation reports from 2010: 'L'impact de la crise financière sur les associations' and 2011: 'Le Baromètre des Associations').

The response in **Romania** appears to be, according to one study, fairly positive for the moment: financially, the CSO sector in the country appears to be reacting positively to the impact of the Financial Crisis for the time being; this is particularly noticeable in the sense that more CSOs seem to be emerging, and reporting that their own financial situation is positive. However, many organizations in **Poland** and **Hungary** fear the effects of the end of major foundation grants in the coming months.

KEY CONCLUSIONS

- CSOs that take a proactive approach to dealing with policymakers appear to be more successful in 'defending their turf.' This seemed to be an approach more predominant in the cases we viewed from the 'Northern' EU Member States.
- CSOs from 'Southern' EU Member States appear to have been attempted to deal with the crisis by collaborating together: from our limited data, collaboration between CSOs (particularly those dealing with public services) was seen as much stronger in these countries than in the 'Northern' countries, where established interests tended to view funding and subsidies as reasons for competition with others.

3.2. Large-Small CSO responses

Large versus small CSOs: positive and negative features		
	Large CSOs	Small CSOs
Strategies with positive impacts	Networked CSOs have more resources available	
	Give support to smaller CSO members	Networked CSOs get resources from umbrella CSOs
	Sectoral saliency helps getting recognised by public funders	Sectoral saliency helps getting recognised by public funders
Strategies with negative impacts		Non-networked CSOs 'fall through the cracks'

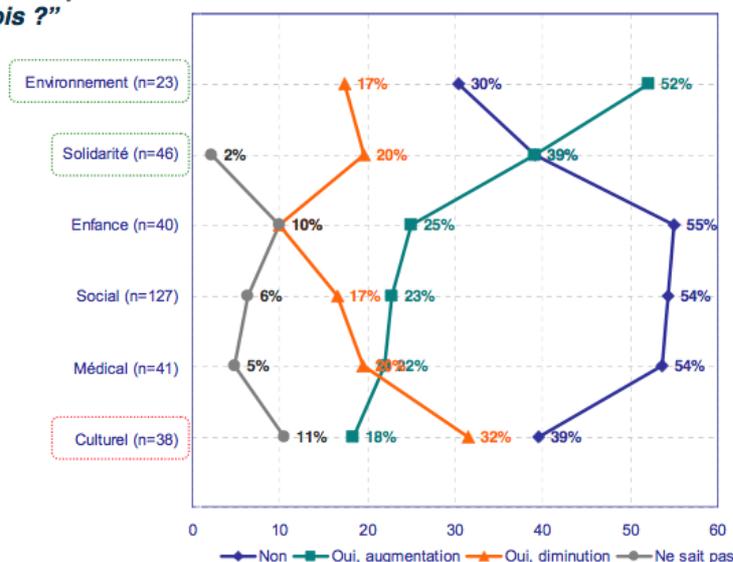
Size makes a difference in survival strategies. Our research has highlighted the fact that larger CSOs with Pan-European, transnational, and/or global approaches have been far more capable of dealing with the effects of the global (financial) crisis. This is, in part, due to the greater capacity they have to deal with managing a response to the challenges that have been set in front of them. In discussions with some of the larger CSOs they have demonstrated that they are more capable of capturing the attention of policymakers and citizens, as they tend to deal with larger audiences, and can therefore collect resources (for example: time, funding, and 'emotional attention') from various groups.

Many larger CSOs actually work as umbrella organisations for smaller, local, groups, and have tried to support their members in different ways. Frequently larger networked CSOs are made up of smaller CSOs and they actively try to link up their activities to support the efforts of the local CSOs. This inevitably means that some local areas receive support,

whereas others miss out. This ‘clubbing together’ of smaller CSOs has been one feasible and viable way of ensuring that their message is not lost in the challenging times that the public sector is currently experiencing. Smaller CSOs that do not have the capacity to network in larger environment, and can only operate in local areas have had the most difficulty in reacting to the crisis in many countries. They do not appear to have any mechanisms to facilitate engagement at larger scales and therefore are at much higher levels of risk than the larger CSOs in Europe.

The issue is further complicated by the fact that sector-specificity plays an important role in the capacities of CSOs (large and small) to engage in public debate. When a CSO deals with a topic with high media saliency (such as the environment), it appears that more attention is also garnered from both by citizens and policymakers. The following chart taken from the Belgian Roi Baudouin Foundation’s ‘Baromètre’ from 2010 highlights the different perceptions of expected revenue change for the year 2010 in CSOs with different sectoral aims (e.g. 52% of Belgian CSOs in the field of environment felt that their annual income would increase in 2010, compared to 18% of CSOs dealing with culture – a sector where 32% believe that their income would decrease in 2010).

Q3. “Pensez-vous que les recettes totales annuelles de l’association vont évoluer ces douze prochains mois ?”



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KEY CONCLUSIONS

- Larger CSOs have up until now had relatively less trouble in dealing with the impact of the Crisis. This is due to many reasons, but notably they have had the capacity to ensure that their issues maintain prominence in the minds of passively-engaged individuals (and therefore their access to resources is not as limited as others).

- Smaller CSOs that operate in smaller areas are, in some cases, really feeling the effects of the crisis rather drastically. There are serious ramifications for these organisations, which do not necessarily have the resources to continue existing without public support. This will ultimately have an effect on the grassroots feeder organizations that provide much of the creativity in civil society.
- Alternative business models are far easier for larger CSOs to adapt, and thus give them an opportunity to seek a 'buffer' during these hard times.
- Larger, umbrella, CSOs have taken the role of supporting their members even further, by trying to support evolution within those organisations, and also in trying to facilitate enhanced access to financial support; although this remains limited.
- Greater support for CSOs that do not fit the mould of traditional, organised, Civil Society, is necessary. There are too many opportunities for these types of organisations to 'fall through the cracks,' as their efforts go unnoticed by the relevant policy makers.
- Sectoral 'saliency' is important, and seems to play a key role in gathering attention, time and (financial) support from public bodies.

3.3. Local / National / European CSO responses

Local versus national versus European CSOs: Key Needs	
Local level	Frameworks for local CSOs
	Involvement of CSOs in 'socially responsible market economy'
National level	Accessibility of National Economic and Social Councils (political stalemate forms a barrier)
European level	Framework(s) where European CSOs can address European policy-makers

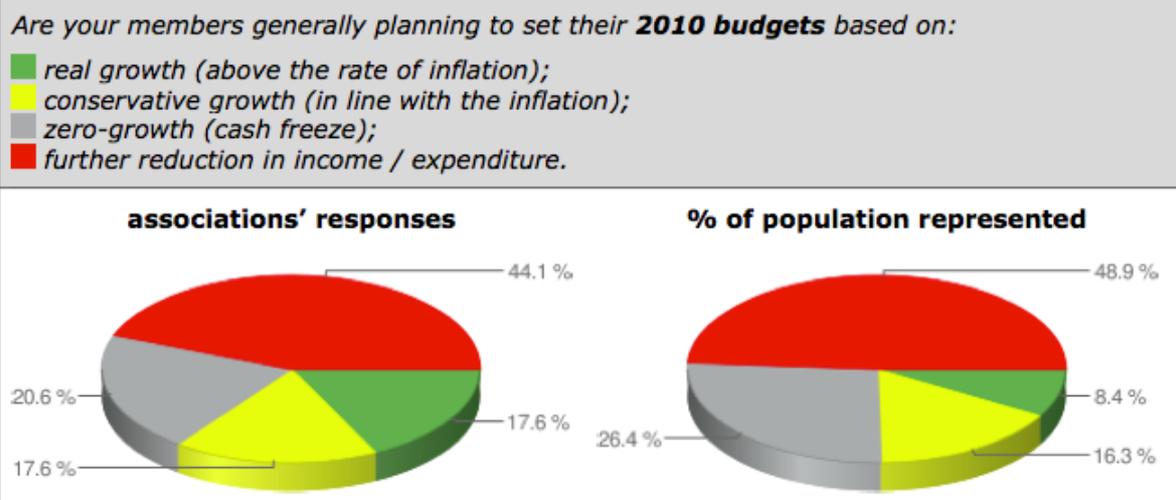
What difference does the level of organisation make for the response to the crises? New CSO structures have been emerging in recent years due to many different societal transformations. Most notable is the impact of Information and Communication Technologies (ICTs) and especially the rise of Social Media as a new form of communication and a new tool for interaction between individuals and groups in our contemporary society.

The Internet has allowed for communities that share views, interests and values to be created, and has provided them with a space to emerge as potent forces in the fabric of our lives, even outside of 'cyberspace.' This occurs at relatively low economic cost although some skills are essential.

Under certain circumstances (such as those mentioned above, in the case of 'large CSOs'), a European civil society has been reinforced through technological means. In some cases, this has also worked for local CSOs, but again this has not been the case in all countries, and certainly not in all sectors. Small, locally-oriented CSOs have, as mentioned in Section 3.2, the most risks attached to them, as they often do not have the potential audience at the transnational level to warrant political attention. Given that local authority budgeting has been substantially affected by the consequences of the crisis, the response from locally-oriented CSOs has been one of worry and agitation.

National Economic and Social Committees, which were well-designed to deal with many of the economic developments that took place in the previous century, need today to evolve to deal with the contemporary, swift-moving socio-economic situations in most European countries. They to are operating in contexts of uncertainty and face challenges from their governments. In our investigations, we have discovered a whole body of activity that takes place outside of these traditional structures, but that is very much a societally-driven response to the impact of the Financial Crisis on our societies. These elements, such as individuals who have grouped together in central London to develop opportunities for training in use of the Internet, or other examples which can be all counted under the banner of 'social innovation,' need to be included in any analysis of civil society in Europe. This is even more so now as we see that the traditional structures of civil society, some of which are heavily dependent upon state support, are now losing this one avenue of their enabling capacity to react to the social implications of the Crisis.

This table from a 2009 report from the CEMR (Council of European Municipalities and Regions) highlights the impact of the financial crisis on local authorities for their planned budgets in 2010. The scope for financial support of locally-oriented CSOs will be very limited due to the anticipated budgetary cuts. These have in many cases already been implemented (for example in Spain up to 35% of the budget for local-authority financed social services have been cut, according to one interviewee).



KEY CONCLUSIONS

- Support is necessary for a framework for local CSOs, which enables them to continue their work at the local level, as resources for these activities are increasingly reduced as public spending is cut.
- The multilevel, borderless, and evolving nature of many of Europe's social and economic woes has led to an evolution in CSOs and other actors that deal with civil society in Europe. This is not yet fully represented in a structure that can address European policymakers.
- Political stalemate appears to be one of the major barriers for action in some of the national Economic and Social Councils. Reasons are multiple including lack of political initiative (Romania), and disagreement on principles of action (Netherlands) among other things.
- As politicians turn towards the increasing use of phrasing such as 'socially responsible market economy,' there is a need to ensure that CSOs active at the local level are fully engaged in supporting the delivery of public services, with all due respect for principles of equality, accountability and representative democracy.

PART III: Involvement of CSOs in decision-making processes

Part III of the study generates a 'map' of the involvement of civil society into decision-making processes at national level. It does this through analysis of information provided by members of ESCs. These emerge from the responses to a survey and direct interviews with a sample of platform organisations about their membership. We analyse whether CSO capacity has decreased within these specific countries, and whether there have been other opportunities to 'fill the vacuum.' This also examines their relationship to policymakers now, and structures which might enable them to engage further in the near future. Other questions that were asked included the discussion on whether CSOs now provide an opportunity for a bigger role for democratic participation in our liberal democracies? For example, do CSOs now fill a space, thereby generating new modes of governance?

4. Contextualising responses and initial findings

As part of the study activities, several different types of organisations have been contacted with a view to providing responses to the key questions provided in the questionnaire (see Annex). These questions have been addressed to a wide spread of CSOs across the European Union, a few of the so-called 'European Hubs', and some of the national Economic and Social Committees that link to the EU's EESC. In addition, one of the most important groups considered for this study was the grouping of media associations. Through this case, we show one sector and how it has dealt with some of the issues that have emerged during this crisis. We have focused here on the role of the media in the Financial Crisis, and how this has impacted on relations within some Civil Society groupings such as media employers and employees. Through the description of this narrative, we can draw upon some of the fundamental issues relating to the way in which Civil Society has reacted to the Financial Crisis, particularly in this case, and more generally for CSOs as a whole. The second part of the case study shows how the relationship between the Media and Civil Society helped shape perceptions of the impact of the crisis and potential solutions for the crisis. The responses from organisations have been varied and illuminating. CSOs appear to perceive the Crisis very differently depending upon their standing, and upon their location. One of the key factors appears to be the size of the CSO: the larger the organisation, and the more visibility it has, for example, in the media, the less it appears to have been strongly affected by the Crisis.

Some key issues are raised in the responses to the interviews and questionnaires. First and foremost, many CSOs are very keen to share their experiences (which are nonetheless primarily negative) about the impact of the Crisis on their activities. In that sense, the Crisis has brought about a sense of 'camaraderie' that has been polarised around the issue of the socio-economic Crisis in Europe.

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

used to be reliant upon state/public funding have turned towards other models such as charging membership fees and looking for sponsorship to develop sustainable practices.

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

Most respondents to the survey and interviews stated that the *opportunities for speaking to policymakers and politicians, or – more precisely – interacting with political institutions, were drastically decreasing*. This is due to budgetary restraints made on policy-specific areas within governments. Most channels of communication concerning financing for CSO activity were now placed under the remit of Finance Ministers, who naturally ‘speak a different language’ than that used in their usual policy communities. However, CSOs have been responding to this by attempting to improve their approach to interacting with political institutions. This involves better communication, enhanced project management skills and shifts in the discourse used to include terms such as ‘return on investment’ and other project/finance oriented terms.

Citizen **engagement** in CSOs in the wake of the first reactions to the crisis have been split. Obviously, for trade unions and other employee associations, the rise in unemployment has meant that there are many more individuals requesting support. Many workers in many fields are now entering employment under different work agreements than those signed before the Crisis. However, in some sectors (such as CSOs that are involved in ICT-related fields), the increase in skilled short-term unemployed people has meant that there has been an increase in volunteers, for people who now have some free time to spend when they are not looking for employment. This raises another question, however, about the varying national rules and regulations concerning the amount of voluntary work individuals can actually carry out when they are actively looking for employed work, as was raised by a couple of respondents during interviews.

5. The European contribution: the role of CSO hubs in 'Brussels'

"different sets of bodies do not communicate"

"new forms of engagement and coalitions"

"we have no economic background"

"fragmentation of the social front"

"lack of political will"

"they hear what we say, but no response"

"administrative burdens"

"different cultures in relation to Civil Society"

"national members not able to pay membership fees"

"there is more solidarity and cooperation"

The connection between European-level Civil Society and national, regional and local CSOs has often been an area of contested space. It has been noted elsewhere that bringing together the diverse interests of Civil Society in the Member States at the European level has been notoriously difficult. Hence, the role of the EESC which has worked to ensure that organised Civil Society has representation in the European level of policymaking, and that there is some space to coordinate and engage with different National Economic and Social Committees in a European context offers important potential. Bodies such as the EESC's Liaison Group help interactions on the EU level between transnational CSOs that are organised in this political and social space and the national representations.

Alongside the EESC, many CSOs coordinate in so-called 'hubs' that attempt to bring shared interests to European policymakers through central locations, normally in Brussels. Several interviews have taken place with key hubs including the European Network against Racism, the European Women's Lobby, the European Social Platform, the European Foundation Centre, the European Students Union, and the European Trade Union Confederation.

These bodies can be considered as organisations that attempt to represent their members in policy-relevant work at the European level. The large majority of the organizations have done surveys and research with their members of the organization on the impact of the crisis. Some research is carried out as part of input into the policy process such as reports for the Social Protection Committee. The crisis has formed the theme of annual meetings and workshops for many groups since 2007 and attention for this subject has continued unabated. A particular focus in the last two years has been the impact of austerity measures put in place by governments as a result of the financial crisis. This for example was the main theme of the European Trade Union movement with its most recent international solidarity action in November of 2012. The Social Platform member organizations and the European Students Union among others underline the disappearance of the social dimension, and of course they are not alone in this. When looking for information on gender and sexual equality on the DG Justice web site, one discovers that everything is framed in terms of the economic dimension. For social civil society actors the decrease in state investment striking public services is a major issue.

Not surprisingly these inventories of impact demonstrate that it is the most vulnerable who are the hardest hit by the crisis, particularly the groups covered by EU anti discrimination legislation, migrants and ethnic minorities, the disabled, the young and the old, women and sexual minorities (Social Platform SPC report 2012). Vulnerability is increased with intersections of these characteristics. When crossed with economic precarity due to unemployment the situation is catastrophic. The ways that the crisis hits these groups varies. Age and disability are suffering due to cuts in public services, while LGBT groups see in some areas of Europe a more raw climate and problems with overt and sometimes politically motivated violence.

In general, the voice of these organisations appears to have been made stronger by the impact of the financial crisis on their members. They have realised that an important element of the political debate concerning the impact of the Financial Crisis is taking place at the EU level, and the 'hubs' have been successful in directing and driving debate towards this aim. Members also appear to have started to look towards the European Union in order to acquire additional funding through, for example, participation in EU-wide projects: there has been a recognition that the 'broader stakeholder' approach advocated by many EU-level

financing schemes is appropriate for Organised Civil Society, as they can act as sources of legitimisation and provide opportunities for engagement with specific stakeholders.

However, several interviewees have noted that there has been a shift in the policy focus at the EU level, which has made it difficult to align interests of the European hubs with those of EU policy. One interviewee remarks: *'What has happened now is that the whole Europe 2020 strategy and Economic Governance debate that has completely taken over and diluted it for us – – gender equality [gets] lost.'*

The voice of the organisations has also been enhanced by the rather paradoxical opportunities that the Crisis brought in terms of necessity to seek alliances with other CSO hubs in different fields, in order to gather enough momentum and

Most organizations have not seen an increase in members. *"The same persons keep being active, but the extremely fragile ones, they just stay trying to survive..maybe some people get activated but if you look at real minority people who feel they are targets, it does not transform into getting active on these issues,"* and there are reports of national level organizations disappearing, or having only a shell left at the national level. Even one member of the Social Platform with a 20 year history, the European Council of Associations of General Interest (CEDAG) was forced to close its doors.

engagement around a set of issues. For example, the European Social Platform has seen itself cooperating with ETUC and SPRING. The cooperation between ETUC and the Social Platform was quite an innovation although they have always been in communication. This shows that Employee Associations can work together with broader Civil Society Organisations, and actually prove effective in certain areas.

Surprisingly almost all organizations said that not only are the doors to policy makers in the European Parliament and the Commission in particular still as open as before the crisis, but that several other doors have opened. Groups such as EWL and ENAR have had contacts with DGs in Economy and Finance and have been challenged to present their arguments for other kinds of audiences. Several did comment that the Commission has been somewhat harder to get to in an efficient manner recently (ILGA see below) but that the EP is responding somewhat more in the period.

Once upon a time it would have been enough to talk to equality bodies but the bodies and actors have changed and now it is economic actors like finance ministers (that we talk to). Traditionally we have not been talking to this sort of actor and they do not have a tradition of speaking to civil society

actors.. we have noticed we need to multiply our efforts- the decisions are made in different sets of bodies that do not communicate well with each other... (EWL)

We have more and more arguments on economic issues, which is difficult for civil society as we actors; our background is not an economic one...the finance people, the economists, they do not work in NGOs in the social sector. (Social Platform)

However, even if the access channels generally seem open, the ears often are closed to the message most of the social organizations want to make.

I think being heard is not the problem – they hear what we say but it is their willingness to respond to what we say that has changed – response is lacking and willingness to implement things. (EAPN)

*I cannot think of one example where lack of money has been an obstacle, but political will, where we see a difference is lack of political will – and **the crisis is used as an argument not to do things** – one example is developing a strategy for LGBT for Roma and other groups – a classic case of Commission saying at the top level ‘No’ and not because of any kind of analysis but it is a political ‘No’ where they say we do not have time or resources or road map for this. (ILGA)*

*We are consulted and important but have no influence on actual policy – because it is about getting in at the national level – **countries are pulling back with excuse of crisis while we are being more and more heard on the European level.** (European Student Union)*

For the groups concerned specifically with equality issues (ILGA, EWL, ENAR) however, there have been particular problems associated with the move to DG Justice in 2010. Although a few policy officers followed their dossiers to the new DG, in general the move has been problematic in several ways ranging from visibility to engagement transversally with other civil society actors. Some of the issues have to do with organizational culture, but also the economic crisis and looming cuts to the EU budget spark fears among social movement actors. ENAR focused on the budget cuts with an example of the cancelling of the annual equality summit which has been important for their national organizations as offering a forum to meet, and noted that no new one had been planned.

DG Employment or DG Justice? That has affected the relations- there is an element of organizational culture- there is a different culture in relation to civil society between the two DG’s and so you cannot attribute the changes solely to austerity measures...the DG Justice web site has no space for us it is extremely minimal. (ILGA)

These organizations also felt that the administrative burdens have increased and whether this is due to increased concern with return on investment or different administrative cultures is unclear. While all supported transparency and control in financing, the level of

detail has increased dramatically meaning an extra administrative burden. For instance General Assembly meetings were previously financed as a block and now there needs to be *'details for each and every participant, which is much more work, it is a burden and we feel it'* (ENAR).

For those enjoying European Commission funded three-year framework funding there is also a looming fear that this may be substantially changed or cut when the new period begins in 2014. Further, for those organizations with less wealthy members, the demand that the transnational organizations begin supplying more of their own funding is onerous.

A perhaps unanticipated consequence of the move of responsibility to DG Justice during this time of crisis was the fragmentation of the social front. Whereas **previously social actors from unions and poverty action groups met colleagues working on equality issues through DG Employment, they are now split and must search for other venues.**

We are happy we did not have to move- this is one of those situations where an initiative is taken without realizing the implications of the change. Certainly if I were working for an NGO in equality I might have answered differently – the logic of civil society is not so much present in the new DG...I think in fairness to DG Employment that they have a lot of experience in our area. I think increasingly this has led groups to be working toward the Economic and Prime Minister meetings rather than to the new DG because they do not have experience with working with civil society and working for them...this kind of change shows a lack of respect for social knowledge...I mean theoretically it should be good to have another DG that also has to look at these issues – it could be helpful to have more than one address and maybe over time it could be positive but in the intervening time it does not make sense. (EAPN)

To what extent has engagement been evolving after the crisis? Certainly it seems that there is an increase in visible protest and civic insurrection, but is this translating to participation in member organizations? And to what extent are organizations engaging in new ways with each other, if at all?

Most organizations have not seen an increase in members. *'The same persons keep being active, but the extremely fragile ones, they just stay trying to survive...maybe some people get activated but if you look at real minority people who feel they are targets, it does not transform into getting active on these issues.'* (ENAR), and there are reports of national level organizations disappearing, or having only a shell left at the national level. Even one member of the Social Platform in Brussels with a 20 year history, the European Council of Associations of General Interest (CEDAG) was forced to close its doors.

The trade unions also report problems holding on to members who have become unemployed, although in some countries a small increase can be seen in public sector unions. In general **the sustainability crisis is already appearing at the national level, particularly in the hard hit countries of Greece, Spain, Italy. A particular wrinkle is the situation in Eastern Europe where major foundations (TRUST for Civil Society project) are winding up their funding at the end of this year which will heavily affect organizations in countries like Poland and Romania.**

For the transnational platform agencies, the fear is further down the road. One of the biggest metaplatforms, Social Platform highlights the worries with the budget for 2014:

We do not know about the EU attitude in general, if it is agreed it will be cut then we think the funding for civil society organizations will be affected. Right now some of our members are having financial difficulties because national members are not able to pay the membership fee so it has a multiplier effect going up to the EU level (Social Platform)

An unexpected development has been new forms of engagement and coalitions at the Brussels level, as there seems to be more consensus seeking again on central issues. Several groups felt that they were working with partners more than in the past and increasing engagement not only in meta platforms such as the Social Platform, but also between Platforms. The peace and development movement for example underlines the need for synergies and common causes and notes that also within the EU institutions the advocates of Civil Society Organizations also need support.

As the EWL contact said: *Because of all of this we would feel that there is more solidarity and cooperation with other organizations such as the European Anti Poverty Network and as of course the Social Platform and with others we would not traditionally have been working with – these are strengthened forms of solidarity because we feel we are navigating in the dark.*

Frequently mentioned was the SPRING alliance, which had been active around the Treaty of Lisbon but still plays a role. Impromptu cooperation around the crisis seems to be occurring. Although this is partially orchestrated in Brussels, at the national level where transversal organizing is less frequent, there has been more cooperation - particularly in breaching the border that sometimes exists between the trade union movement and others.

It is very much more open and there is less protection of boundaries, and of course trade unions have a different base so the old mistrust is disappearing and there is the realization that what they desire is broader. (EAPN)

Generally most informants noted that their types of cooperation have been shifting, and they find themselves looking for other partners and solidarity in new places, but if this is a reflection of the crisis or not is hard to judge.

6. Impacts on sectors of civil society: Case study of media associations

6.1. *The Media and the Financial Crisis*

One crucial element of this study was the explanation of how the Media reported the Financial Crisis that has engulfed the EU since 2008. This part of the study focuses on how media and CSOs in media-related fields have dealt with the impact of the Crisis on their operations. It provides a useful in-depth case study of the way in which the employers and employees in the media sphere have dealt with the issues surrounding the Crisis, and provides us with an opportunity to highlight some of the issues that have been raised in interviews with other individuals from different sectors.

Increase in freelance and part-time work means unions are having to divide their efforts to focus attention on protecting conditions for permanent as well as temporary staff. In some cases, older colleagues tend towards preservation of their vested rights and low levels of commitment. Along with the young journalists, those with less of a fighting spirit could be joining the companies keen to change working conditions for employees. There is the danger of division and a loss of solidarity within the workplace.

6.1.1. Impact of Financial Crisis on Media-related Civil Society

Never has the International Federation of Journalists' motto, "there can be no press freedom when journalists exist in conditions of corruption, poverty and fear" seemed more appropriate for the state of journalism in the world.

Impact on Media Employees

Summary

- Tens of thousands of unemployed journalists
- Changes on the right to association – power of association is decreasing
- Employees ready to accept any contract condition

- Overworked and exhausted journalists tend to rely more heavily on official sources and abandon balanced and investigative reporting that necessarily includes civil society
- Huge increase of paid and mainly unpaid internships that will decrease the number of working and lower middle class and increase the number of upper middle class journalists entering the profession

In Detail

The number of unemployed journalists in most European countries has increased dramatically with the highest impact on the countries of the South. There are massive numbers of redundancies. One of the most comprehensive reports about the professional problems of the press in Spain, with figures about unemployment of journalists throughout the country is *Libro negro del periodismo en España* (Black book of the journalism in Spain, 2011). Since that book was published, many more journalists have lost their jobs.²

The European Federation of Journalists produced reports on the issue documenting clearly the following trends^{3,4}:

- In publishing houses and media companies an erosion of the (hard won) salary and social standards can be observed. There are stagnating incomes, fewer benefits, financial losses— especially among young professionals and those starting a career, but also in the benefits for long-term employees. Unpaid overtime is an aspect that is often mentioned.
- This can be seen in the case of young journalists who are just starting their careers— and facing increasingly poor entry-level working conditions. For many young professionals it has become more attractive to get involved within the context of

² The most updated figures are regularly published by the Asociación de la Prensa de Madrid, although these statistics only refer to the situation in Madrid. These are the most recent figures: <<http://www.apmadrid.es/noticias/generales/mas-de-3500-afectados-por-la-crisis-tan-solo-en-las-redacciones-madrilenas?Itemid=209-la-crisis-del-sector-periodistico-madrileno-en-lo-que-va-de-ano-segun-el-observatorio-de-la-apm?Itemid=209>> The Press Association also publishes the following table with the detailed references of the journalists that have lost their jobs in Madrid: http://www.apmadrid.es/images/stories/Observatorio_APM_17julio12.pdf This table is usually updated two or three times per year.

³ O’Keeffe Susan ed. (2010), *Journalism Unions in Touch with the Future*, Published in Belgium by the International Federation of Journalists and available at <http://www.ifj.org/assets/banners/133/054/87da685-0cf1236.pdf> (p. 9, 14, 35, 36, 38)

⁴ Bittner Andreas (2011), *Managing Change, Innovation and Trade Unionism in the News Industry*, Published in Belgium by the European Federation of Journalists and available <http://www.ifj.org/assets/docs/247/180/1265ff7-f512fb4.pdf>, Based on the responses of a survey conducted on twenty-five European Federation of Journalists’ affiliates in eighteen European countries, the EFJ recent report presents an examination of the strategies and policies of the unions with regard to the changes taking place in the news industries across Europe (p. 3,4,10, 11, 12, 13)

media and public relations or communications services in the broadest sense. Journalism is here seen as one, rather badly paid, entry-level option.

- Added to this is the distinct shift from permanent employment relationships to freelance work. Even though this process is not an exclusively 'forced' one (many independent journalists, in Western Europe at least, like freelancing and do not regard themselves as 'forced lancers'), it is a further mark of the change for which the traditional structures and programmes of many unions are rather inadequately equipped. While the proportion of freelance journalists particularly in Nordic countries is (still) relatively low, it is especially high in Central Europe: often over 60 percent.
- There are also continued strategies by some companies to aggressively de-unionise existing and emerging industry sectors. Job descriptions have also changed, a tactic that in part is designed to isolate new media workers from existing collective agreements. A 'content producer' may be performing essentially the same or very similar work to that of a journalist, but may be employed under individual contracts, which often have inferior pay and conditions to the collective agreement.
- A (continuing) reduction in staff in connection with high work intensification, additional (multimedia and cross-media) tasks, higher demands in terms of contents and technology which, alongside personal health consequences, frequently lead to an arbitrariness of the product, a loss of quality and a loss of diversity of opinion.
- The level of performance required of journalists has never been higher: never before has so much information from more and more channels needed to be sifted, verified, processed and edited for the readers, listeners, viewers and users. The important has to be differentiated from the unimportant, PR deceptions distinguished from the facts. Journalists need to understand the complex processes in the economy, politics, culture and the environment, process the information and, not only that, they are also expected to convey it in a service-oriented, multimedia way. They have to utilize numerous channels and keep an eye on new formats and platforms. All of this must be done in a multi-tasking, cross-media fashion and without neglecting the increasingly complex aspects relating to press law and rights of expression.
- As cost-cutting becomes a reality across the industry, collective agreements have come under increased pressure, with concession bargaining put forward by companies as the reality that workers must accept in order to protect the viability of companies and job security. Changes to conditions sought by companies include pay freezes or real wage cuts, less training or sometimes none at all.
- The growth of freelance and part-time work in journalism means unions are having to divide their efforts to focus attention on protecting conditions for permanent and

temporary staff, a job made harder by falling numbers of members which reduces the unions' capacity to campaign for that protection.

- In some cases it is suggested that older colleagues tend towards preservation of their

Key Findings of the OSI Media Program Study

- Media across the region have lost 30 to 60 percent of their income.
- Media were forced to adopt cost-saving measures, including reduced volume, staff layoffs, reduced investigative reporting, and cuts in international and provincial coverage.
- Several media markets have experienced a flight of foreign investors and bankruptcies of independent outlets.
- The crisis-related constraints and ownership changes have caused an overall drop in the quality of news delivery to citizens.
- Media content has become shallower, more entertainment-centered, increasingly isolationist, more prone to political and business influences, and lacking in investigative bite.

vested rights and low levels of commitment; while some see the danger that, along with the young journalists, those with less of a fighting spirit could be joining the companies. Here, too, there is the danger of division and a loss of solidarity.

- Finally, the demographic dimension should not be forgotten: some organisations seem to have a disproportionate number of older members. Besides acquiring new members, however, union member retention should also not be neglected.

All the above are compounded with the emerging trend of **turning-back-the-clock on industrial relations. Under the pretext of the 'financial crisis,' the Greek government for example has summarily stipulated dozens of legal provisions that diminish the unions' bargaining power, restrict or abolish collective agreements and obstruct collective bargaining. The Union's 'voice' is stifled as its functioning role is undermined and the implications are manifold.**⁵

For this, among other reasons, there are calls for fresh solidarity inside journalism, more support for journalists' unions and more activism from union members: 'Practically most

⁵ Quote from the reply to the Study's questionnaire from the national union of journalists in northern Greece (ESHETH)

issues the Finnish union of journalists are dealing with have to do with the financial crisis and media industry's reactions (or over-reactions) to the crisis, which is a major factor in the rapid change of the media environment in Europe and in Finland. The policy-makers have for quite some time swallowed the there-is-no-other-alternative-than-to-follow-the-industry-demands argument, and that has happened on the expense of the workers, whom we represent in the field of journalism in Finland. The NUJ of Finland is trying to be realistic in their demands, but their voice has grown more concerned, and louder. They also admit that they need to do more today to get it heard than before. They are proactively seeking cooperation with other CSOs, in the trade union field, as well as media and other fields, both nationally and internationally. Finally, the financial crisis has meant for their members a huge increase in the demand of the Union's individual legal and other services'.⁶

Suggestions/Recommendations

Based on the literature review and replies to the questionnaire that were received, this study fully supports the following recommendations of the European Federation of Journalists report⁷:

- Journalists' unions need to build partnerships with other unions to map the changes taking place in the industry and to identify strategies for recruitment and organisation of the new media workforce.
- Provide a toolkit to all members to protect members during a crisis, specifically where companies are facing bankruptcy or threatening closure.
- To reach out to freelancers by providing targeted professional services such as health services, legal advice, training and to encourage greater support, specifically in relation to collective bargaining agreements for freelancers.
- Promote greater exchange of information between national unions.
- Strive to create alliances with other creators and communicators and relevant trade unions to promote a freer and more accountable public communication.
- Reinforce campaigns and work to underline demand for decent working conditions, respect for international labour standards, editorial independence and a culture of safety in media.
- To strengthen social dialogue with publishers, media organisations and press agencies.

Impact on Media Employers

Summary

- The media industry is one of the hardest hit by the Crisis due to its nature of high risk, high fixed costs and high Research & Development (R&D) costs

⁶ Quote from the reply to the questionnaire from the Finnish union of journalists reply to the questionnaire

⁷ O'Keefe Susan ed. (2010), *Journalism Unions in Touch with the Future*, Published in Belgium by the International Federation of Journalists and available at <http://www.ifj.org/assets/banners/133/054/87da685-0cf1236.pdf> (p. 38,43-45)

- The financial crisis presented an opportunity to attack state aid to Public Broadcasting System organizations (PBS) and renew debate of unfair competition for the advertising Euro at national and International level
- A number of mergers and closures meant fewer avenues for different voices
- The quality of journalism output decreased almost everywhere in Europe

In detail

Most media today are commercial companies or non-commercial PBS which operate as other business. Similar to other businesses, media organizations are facing severe drops in income, from 30 to 70 per cent in the worst hit areas in Europe such as the countries in the South and the East.

The media industry was actually hardest hit compared to other industries because of its financial particularities, i.e. very high fixed costs (buildings and salaries), in addition to the very high R&D costs [up to 80% or more] and a very high risk of failure compared to other industries that requires a high return on investment from any investor. Many media closures for example are not of loss-making organisations, they just don't make as much money as before and thus the return-on-investment does not justify the risk when it is compared with other investments, e.g. real estate.

At the same time since the R&D is the main cost of the industry, while reproducing the original content costs next to nothing, it is also very vulnerable to piracy and the economic forces of the internet, where most of the young audience has migrated together with a big number of advertisers.

The financial crisis has also affected the media consumers, as a result the low income of the working population influenced media consumption habits, reducing media revenues from subscriptions and sales, and that too affected the shrinking revenue to the media budgets

In this climate a number of commercial stations have been raising their voices even louder against the PBS that compete with them for the audience ratings and most of them for the advertising pie by using taxpayers money.

In return, there has been an increased power of the discourse supporting the NGO-type of media funded by philanthropists or its readers/viewers and/or subsidised indirectly from the government.

At the same time, a big number of media that survived the financial crisis are actually the ones that were not profitable even before the crisis. Their owners keep them alive for other reasons (political pressures, getting state contracts, etc) further disturbing the fair

competition for the advertising euro. In general, there is an increasing concern regarding the political influence on media, since more and more of media owners in Europe are politically affiliated and that creates an additional and increasing pressure on the editorial staff and journalists, in order to keep their jobs especially in today's financial climate.

In one of the most comprehensive studies on the issue, the Open Society Institute Media Program in 2010 explored the impact of the financial crisis on media and news delivery to citizens in 18 countries of Central and Eastern Europe and the Commonwealth of Independent States. It documents how the global economic downturn has affected countless businesses across the region, forcing them to slash costs, lay off employees, and reduce output. Media businesses are no exception. However, when media businesses are hit, it is not just their turnover that suffers: their primary function, the delivery of news to citizens, feels the impact too.⁸

In October 2011 a survey was carried out among European Broadcasting Union (EBU) members, in which members from 28 organizations took part and an analysis of the results shows that the vast majority of organizations were forced to implement cost saving measures in 2010–2011 in order to handle shrinking budgets. In many countries, such austerity measures could be explained by weak state finances, which resulted in a reduction of funding across the entire public sector including public service broadcasting⁹.

In general a number of media employers have suffered a negative spiral whereby they have downsized their operations, which led to a downsized morale and productivity of the staff, which led to a decrease of the quality of their product, which in turn led to decrease of sales and revenue, which now requires a new downsizing!

Suggestions/Recommendations

- Improve training for the all the staff
- Reconsider the role of charitable and trust ownership of media
- Reconsider direct and indirect subsidies from the State to all media and not just PBS

6.2. Impact on CSO relations with the media

CSOs need the media in order to perform their advocacy and awareness roles, as well as for fundraising and recruiting new members and mobilising existing ones. It is then a rather curious phenomenon to see how neglected their relationship is especially during the crisis.

⁸*Footprint of Financial Crisis in the Media*, published by the Open Society institute Media Program and available at http://www.opensocietyfoundations.org/sites/default/files/aa-overview-20091201_o.pdf

⁹ *Funding of Public Service Media* 2011, Published by the EBU, November 2011, p. 17-18

Given the interdependent need of the media for news and the CSOs for communication channels, the deterioration of the relationship becomes even more relevant in times of crisis. There is evidence to suggest that the relations were particularly hurt by the financial crisis mainly because journalists don't have the time to contact additional and/or alternative sources and instead are relying more and more on official sources [in some countries up to 80% of the quoted sources] and thus neglecting the voices of the CSOs.

As a result for example, 'The economic crisis has only exacerbated the dissemination of negative stereotypes; both journalists and civil society representatives emphasized that the crisis has taken its toll on quality journalism in Greece and is affecting media's capacity when reporting on migration and minority groups'.¹⁰

Furthermore, "*NGOs during the financial crisis offered some consolation to certain social groups, homeless, the needy etc. but **due to lack of experience, coordination, training and education they did not really solve problems**, they do not have duration of action and they cannot really offer what the people need,*" is a quote that echoes most media practitioners opinions in Greece.¹¹

In general, there was an impact both on the income of NGOs as well [reduction up to 50%] and an increased need for their services, so **they were also asked to do more for less** like media employees. On the other hand, the cost of several things was reduced like hiring highly qualified personnel including marketing and communications experts, who could also conduct cheaper campaigns [since advertising space also became cheaper].

In conclusion, NGO advertising became cheaper but the normal NGO Public Relations became more difficult since newspapers would not have the time for talking to NGOs who took a back seat as news sources.

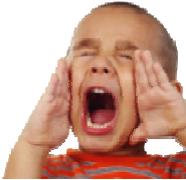
¹⁰ Quote from the reply to the questionnaire by the national union of journalists in northern Greece (ESHETH)

¹¹ Quote from an interview with a Greek journalist and expert on covering the issue of NGOs and the financial crisis [Thomas Siomos, interview 15 October 2012]

PART IV: Risks and opportunities for civil society organisations

The study culminates in an enumeration of the analysis of risks and opportunities for civil society organisations following the crisis. These findings are placed within a 'SWOT' matrix, in order to identify the opportunities and risks for CSOs in a European context. Not only does this part of the study show that there are many threats to the opportunities for CSOs, but it draws upon positive messages to outline what might need to be done in order to ensure that the opportunities are maximised. To this end, the study concludes with a list of recommendations, which highlight proposals for specific opportunities for the EESC members to engage with CSOs at all levels and facilitate improvements in the national (and European) decision making processes.

7. SWOT analysis and opportunities

	Funding	Voice	Opportunity	Engagement
				
Strengths	Diversity of funding streams	Capacity to provide voice on behalf of most affected	CSOs can help support the public sector in achieving its aims	Salience of global problems 'brought home' by larger CSOs
Weaknesses	Decreased funding from public resources	Shift to financial concerns has left many CSOs without a public sector 'interlocutor'	CSOs take on tasks of government? CSOs need to shift to become 'new policymakers'	I have my own problems
Opportunities	Openings for increased funding Increased capacity to deal with funding management	Coordination and communication between CSOs, dealing with societal problems , not just members' interests	Scope for greater engagement in service provision and policy design	Space to help improve and shape local and sector-specific policies
Threats	Potential for loss of funding in non-politically sensitive fields	Loss of capacity to deal with policymakers CSO 'wars' as competition for attention becomes very strong	Policymakers close down links with CSOs in order to resolve questions of legitimacy and representation	CSOs lose legitimacy as effects of financial crisis deepen

STRENGTHS

Funding: diversity of funding streams.

Many CSOs appear to have adapted well to the need to diversify their sources of income, although there are challenges to maintaining the desired levels of income across the board. The biggest cluster that has been able to gain from this is sector-specific CSOs, such as the environment sector (for example, in Belgium), which has seen an increase in their funding over recent years. These CSOs have been able to capitalise on the political and policy debates that direct (media) attention to these issues, and thus facilitate engagement from citizens. Similarly, larger CSOs which have greater capacity to deal with increased administrative burden in searching for funding, have clear advantages in this field.

Voice: capacity to provide channels for the most affected by financial crisis.

Similarly, when it comes to ensuring 'voice,' larger, politically-sensitive and citizen-attentive CSOs have had the capacity to ensure that their voice is heard across the EU, and particularly within policymaking circles.

Opportunity: certain CSOs have closer links to political actors (than others), but in general there is a willingness to engage more (to let CSOs do more) in the realm of provision of public services.

Engagement: there is a large scale movement towards engagement by citizens in the larger CSOs.

WEAKNESSES

Funding: Decreasing funding from public and private sources.

Some countries (particularly those we classify as 'Southern') have been heavily dependent upon public funding for their activities. Whilst funding from the state appears to have been consistent for most Southern countries until now, there is a growing expectation that this will decline in the coming years. In the case of trades unions, membership has been decreasing, which has led to decreased income from membership fees. CSOs in Northern countries have already lost substantial proportions of their state-derived income due to budget cuts, and so have been able to adjust through various measures, including efficiency gains, and diversification of income streams to other funding sources.

Voice: CSOs have less opportunity to engage with politicians, given the change in discourse towards something determined by economic terminologies and frames, such as Return on Investment.

Opportunity: The key stakeholders in public positions are now finance ministers. This leads to difficulties in communicating the needs of society via CSOs, who are not well versed in the discourse of finance ministers or do not share their goals.

Engagement: As individuals turn to 'solve their own problems', there is a problem in generating general solidarity and little in the way of a sense of working towards common societal goals in the CSO community.

OPPORTUNITIES

Funding: As CSOs enhance their capacities to deal with the current economic crisis, there can be an increase in the professionalization of the CSO 'corps', leading to more efficient and effective delivery of services, whilst also maintaining key societal values within these bodies and within society as a whole. There may be openings for increased funding, as public authorities recognise that some services and activities can be more effectively carried out by CSOs.

Voice: To build voice and find new channels, coordination and networking between CSOs may ensure that all societal actors are engaged in determining what is best for the current problems.

Opportunity: Given the public concern about crisis, it may be that policymakers open up and engage to a far greater level with CSOs, in discussions on how services should be delivered towards society.

Engagement: Citizens and residents become much more attached to specific and meaningful activities carried out by CSOs in their local and national (and European) environment.

THREATS

Funding: Both private and public streams of 'core' funding die out.

Voice: CSOs lose their capacity to interact with policymakers, particularly in spheres where economic gain is not immediately foreseeable. CSOs lose capacity to 'interact' by becoming too focused on obtaining financial support and enter into a 'CSO war', effectively competing with other CSOs. Coordination across the EU becomes much too difficult to manage.

Opportunity: Civil servants and politicians become too engaged in trying to solve their own problems of legitimacy and fiscal responsibility to open up to discussions on societal problems with a broad range of CSOs. The NESCs and equivalents are stalemated, and cannot provide a space for constructive dialogue between all partners.

Engagement: The perceived legitimacy of CSOs in European society declines as individuals need to focus on their own individual problems. Particularly at the European level, where the perception is that most of the problems have arisen, there is a challenge to promote the idea that the EU can also provide solutions. Citizens emerge as socially, and yet not politically aware or active.

8. Recommendations

8.1 Risks for Civil Society

Trends are appearing that present grave risks for Civil Society Organisations in the European Union. The risks are different for different clusters of CSOs. Firstly, whereas larger (global-level) CSOs seem to have – relatively speaking – not suffered too badly from the crisis concerning funding, many smaller local-level CSOs are finding it very difficult to shift from models of financing that are heavily reliant upon local authorities to ones that can obtain funding from elsewhere. This argument is also valid for those countries where civil society is heavily embedded within public institutional structures.

Connected to this, one of the major risks for smaller CSOs is that their voice gets ‘lost’ amongst the large number of voices that are becoming more and more vocal as the impact of the crisis makes itself tangible at an increasing rate in many countries.

This risk of being lost in the cacophony of voices is made even more complex in certain respects by the responses of certain governments to the crisis using the frame of austerity. The forums for discussion between CSOs and policymakers have been changed, and this has resulted in long-standing political relationships having to be re-wired as interactions have shifted towards more concerns over financial – as a complement to social – accountability. In many cases, this has resulted in changed discourse at the level of policymaker, where terms such as (economic) efficiency and (social) return on investment are used instead of broader notions of solidarity and public value. For example, social projects in the UK, driven by CSOs but funded by local and national governments are required to prove ‘return on social investment’ as part of their business plans. The fact that ‘business plans’ are being used in social contexts itself is a big challenge for civil society, where activity tends towards the elaboration of social goals first and foremost. The ‘clash of cultures’ that was already emerging as a result of the increasingly pervasive shift towards ‘New Public Management (NPM)’ in European public administrations has now been compounded by a very concrete need to justify public spending. It is a natural (and logical) step to ensure that the principles of NPM be thus applied to spending in the social sector.

Another emergent risk appears to be in the potential divergence of civil society: as politicians and policymakers shift attention towards dealing with populist reactions to specific policy failures or deficiencies, CSOs that deal with issues that are not in the limelight may well be relegated to a lower level of attention.

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

8.2 Opportunities

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

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

8.3 Recommendations

This study has covered a wide range of issues in trying to get to grips with the issues concerning how civil society as a whole has started to deal with the effects of the Financial Crisis, and the socio-economic one that has followed in its wake. The following set of modest recommendations are intended to be the basis for a larger discussion about the role of civil society in the European Union's policymaking framework, and in the perception of the EU's institutions in the eyes of civil society. They are intended to be viewed as the result of the 'helicopter view' taken during this study, and as such cannot be treated as recommendations for individual CSOs. They should be taken as points for rethinking the relations between the EESC, national ESCs and CSOs across Europe. The recommendations are therefore divided into two sections, one for the EESC itself, and a second set for the general body of CSOs across Europe, whilst noting that this is a highly diverse group.

For the EESC

- Think more about engagement and participation of citizens in CSOs in order to ensure that we maintain an active and democratic society based on principles of justice, equality and fairness.
- Develop mechanisms to encourage and support bottom-up actions that can be made sustainable: 'organising without formalising.' In order to do so, it is necessary to first recognise that civil society is increasingly unstructured, mobile, and very often purposely not bound to any institutional framework.
- Ensure that this engagement spans across the different Groups within the EESC, in order to ensure that the maximum benefit is gained from the different levels of needs,

whilst also maximising engagement opportunities.

For CSOs

- Encourage cross-sectoral engagement and interaction between different civil society groups, by providing opportunities for such initiatives to take place at the local and national levels. The role for the NESC and equivalents should be of great importance here.
- Increase professionalization of CSOs: better organization, enhanced communication strategies, more effective delivery (where appropriate) and organization of the 'back offices,' in order to ensure that the right 'discourse' is used when talking to politicians and policymakers.
- Help the National ESCs and their equivalents to engage in supporting the activities of civil society in their own regions and countries by enhanced networking and engaged discourse within and amongst their European partners. This message must be more widely spread at the national and sub-national level through different channels, perhaps engaging with social media in more creative ways.

Annex

9. Description of the study methodology

This study provides a set of recommendations for the EESC that is driven by our understanding of what and how civil society have reacted to the Crisis that has struck most of Europe in recent years. This is based on a several different tools: first of all, the study attempts to collate some of the wealth of information that has been produced by Civil Society Organisations themselves, concerning the impact of the financial crisis in their own organisations. Many of the CSOs contacted have themselves carried out internal studies on the subject, and although many of them are not available to the public, the main findings of these have been provided to the study team. Other European and global-level organisations have published reports on the issue that have been highly relevant and useful for the current study.

In addition to the secondary literature that has been evaluated as part of this study, there has been a large amount of work already done by the European Economic and Social Committee, with the aim of trying to understand the impact of the Financial Crisis on its members. This literature, principally from Group II, has been instrumental in developing an understanding of the complexity of the CSO landscape in the EU, in relation to the Financial Crisis.

Cases and case studies have been compiled from across the European Union, where these have been found in literature and gathered through participation at conferences and through interviews (see below). We have aimed to achieve a wide spread of case studies, but have been bounded by certain limitations, including language. However, our methodology has tried to ensure that certain 'regional distinctions' are not removed from the spotlight in this study. Hence, we have chosen to focus on specific sets of countries, according to when they finally acceded to the European Union.

In all, five methods have been used throughout this study. These are:

1. **Desk research** into the impact of the crisis on CSOs and how this affects their ability to act at national and European levels (including analysis of media reporting, databases and scientific and policy-related literature).
2. Selection of **example cases from different types of civil society organizations based in regions differently affected by the crisis**, for inclusion in the study in order to provide a comparative base and highlight issues.

3. **Interviews**, either by telephone or face-to-face where possible with specific actors involved in the civil society 'hubs', and various actors at the national level.
4. **Questionnaire/surveys** to enable further wide-ranging analysis on the basic questions of impact of the crisis, risks and opportunities in a select number of policy areas.
5. A **mapping exercise**, to identify how CSOs now provide input into decision-making processes at a national level (in a group of countries).

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