



Germany

Spain

Poland

Hungary

Russia

2016
Report
on the
State of
Civil
Society
in the
EU and
Russia

Summary

The EU-Russia Civil Society Forum

EU-Russia Civil Society Forum (CSF) is an independent network of thematically diverse NGOs, established as a bottom-up civic initiative. Its goal is to strengthen cooperation between civil society organisations and contribute to the integration of Russia and the EU, based on common values of pluralistic democracy, rule of law, human rights, and social justice. Launched in 2011, CSF now has 150 members: 58 from the EU, 83 from Russia, and 9 international organisations.

The Forum serves as a platform for members in articulating common positions, providing support and solidarity, and exerting civic influence on governmental and intergovernmental relations. These goals are pursued by bringing together CSF members for joint projects, research and advocacy; by conducting public discussions and dialogues with decision-makers; and by facilitating people-to-people exchanges.

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The EU-Russia Civil Society Forum starts a new series of reports

Dear colleagues, friends and supporters
of the EU-Russia Civil Society Forum,

We are happy and proud to announce a new series of annual Reports on the State of Civil Society in the EU and Russia. This was instigated by members of the EU-Russia Civil Society Forum who wished to acquire more systematic information and assessment on NGOs and civil society development elsewhere, especially in the EU member states.

We can often perceive each other's challenges and strategies as being too dissimilar or even unique. These gaps in the perception of real and potential partners hinder cooperation. With this series of reports we hope to strengthen understanding and provide new chances for cooperation and exchange opportunities. We try not only to understand conditions and challenges in different countries, but also to find interesting solutions which they can call upon.

The research strategy is to combine academic and practical approaches to civil society studies, in order to catch the main characteristics and trends of civil society development in a particular year. This is our summary of the Report for 2016, the full version is to be published in English and Russian in spring 2017.

In 2016, our researchers made an overview of existing indexes measuring the state of civil society in various countries, with the presentation of results from all EU member states and Russia. The indices that measure sustainability of civil society organisations (CSOs) confirm a pattern of geographical divisions in Europe, with the "old" member states demonstrating stability in terms of the strength of NGOs and the Southern and Eastern European members lagging behind or, in some cases, rolling back. Other groups of indices largely confirm the same pattern of geographical divisions yet do not illustrate any alarming trends. The case of Russia is more worrying, showing a clear regression in terms of the legal environment for CSOs, but also that Russian civil society is relatively strong as a service deliverer.

With these general conclusions in mind, we conducted our own empirical research on how the situations are perceived in five different countries. Our methodology was based on an online survey and in-depth interviews conducted in Russia and four EU countries: Germany and Spain as old EU member states, and Poland and Hungary as new EU members.

In subsequent years we will present the situations in other countries and focus on further aspects and trends of civil society development.

This booklet contains a summary of the main outcomes of that research. We hope it will be of interest not only for civil society representatives, but also for the broader public, donors and policy-makers both in the EU and Russia and elsewhere.

Kind regards,
State of Civil Society Report project team

2016 in the spotlight

The pilot Report contains the results of research including online survey and in-depth interviews conducted with representatives of civil society organisations (CSOs) in July-September 2016 in Russia and four EU countries: Germany, Spain, Poland and Hungary. Every case study was conducted on the same methodology. The unified English-language questionnaire was translated into all native languages and filled out by 75 German, 147 Spanish, 56 Polish, 144 Hungarian and 248 Russian CSOs. Additionally, about 10 interviews were conducted in every country under study. Two major aspects were studied during the research: the perception of the most important challenges for CSOs and the best practices developed by them to respond to these challenges.

Results indicated that for CSOs in all the countries the biggest challenges are financial, although to varying extents and for different reasons. In Spain, it comes mainly as a consequence of the economic crisis. In Germany, previously stable state funding is now being reduced. In Hungary and Poland, the government is hindering access to EU funding. In Hungary and Russia, the state creates barriers for NGOs receiving foreign funding, with state funding no so transparent redistributed mainly to closely connected with the state institutions social service providers and newly created patriotic NGOs.

But in all cases it means a reduction in traditional financial sources and the need to find new ones. As a result, private donations have become an important source of CSO financing, but these are not raised easily, including in the more prosperous Germany. That CSOs in Russia and Hungary see the situation better than in other countries is probably because they faced the need for search of alternative funding sources earlier and now see some successes.

In all five cases, state support for CSOs is reduced, by economic crises, neo-liberal reforms of social policy and state attempts to control CSOs, and is very negatively evaluated by those in Hungary, Russia and Poland. The situation in Germany and Spain looks better. The recent changes of the legal framework for CSOs were also evaluated very negatively by Russian and Hungarian CSOs, while German, Spanish and Polish CSOs still see the legal framework mostly as stable and friendly.

Also noted as important were problems such as increasing discriminatory / hate speech against CSOs and their target groups, provoked by populist parties. It is especially marked in Poland, Hungary, and Russia, but also in Germany, where the influx of refugees adds to the situation.

The survey and interviews highlight such organisational challenges and the need for better communications, including use of social media and informational technologies. CSOs under pressure intensify their work with target groups and volunteers, and seek more public support.

Many CSOs in Russia, Hungary, and Poland have described the consequences of such challenges as “closing space” for independent organisations, with strong dividing lines between CSOs loyal to the governments and those critical of it. In Russia, this division started to appear some years ago, and in the past two years has become apparent in Hungary, with Poland soon to follow. Case studies in each chapter show how it happens.

At the same time, there are some positive trends, such as an increase in volunteers and supporters, keeping of generally positive CSOs image, and CSOs strengthening their ability to adapt.

Current difficulties were often described as opportunities to rethink mission and strategies; to look for innovations; to become closer to target groups and to each other; to find independence and diversification; to learn a lot; and to improve communication with people across the board. In general, the impression remains that this is a very important time for CSOs, when although the challenges arise at a different pace in different countries, they are being felt everywhere to some extent.

All these challenges are reflected by the CSOs, who try to develop practices which could contribute to overcoming the crises. Detailed description of some best practices are given in the relevant chapters in the full version of the report, but can be summarised as follows:

- Cooperation is mentioned by the CSOs in all the countries, by meaning creation of synergies within the sector and in the inter-sectoral dimension;
- Consolidation is meant mainly by those CSOs who are under pressure, especially in Russia, Hungary, Poland;
- Search for new opportunities for financing, such as collection of private donations, crowdfunding and social entrepreneurship;
- New practices of communication and public relations, connected with the social networks, new informational technologies, such as blogs and interactive informational resources;
- New technologies for better management and strategy building.

In general, the new practices are already being developed now. How the CSOs adapt to the new times can be read in the full Report in the chapters, written by researchers living in the countries studied. They also provide explanations of the recent political and social transformations and CSOs legal and financial frameworks. The major findings on all the country cases are briefly presented below.

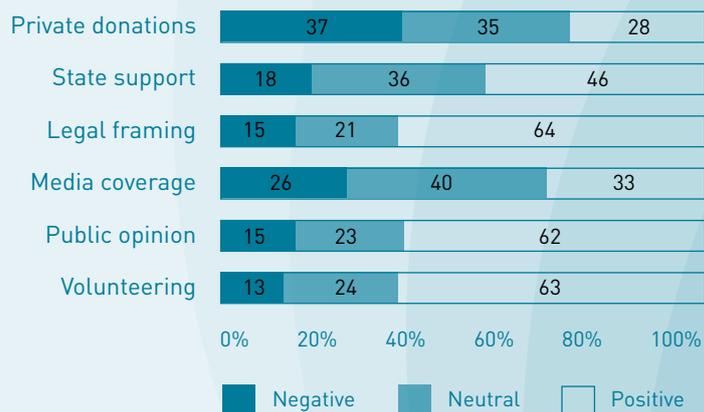
GERMANY:

Relative Well-Being

According to the online survey among German CSOs, many representatives of German civil society evaluate the situation of their organisations as relatively positive and stable. Whenever they mentioned difficulties, these concerned more general trends in society, e.g. the impact of the demographic change, the refugee crisis or the growth of populist movements. The integration of refugees, where CSOs have actively participated by organising volunteering support, was especially important for 2016. This also brought CSOs to realise that they need to adjust to the new intercultural conditions, to open themselves to “new citizens” and to counter negative trends in public opinion and behaviour.

Most respondents are relatively satisfied with the financial and legal conditions for civil society in Germany. However, many CSOs have noticed growing problems with structural funding, which in many areas has been replaced by short-term project funding. The collection of private donations is also seen as problematic (Figure below).

Answers of German respondents on the question: **How do you evaluate the context conditions for your NGOs?**



Many CSOs have faced difficulties with administrative requirements for grant programmes and an increasing bureaucratic pressure. Some organisations mentioned difficulties in finding qualified staff members and in recruiting volunteers. Some CSO representatives explained that they have needed to invest more resources to increase the support for their cause over the past two years.

CSOs active in the area of cultural and educational exchange with Eastern Europe and Russia reported that the conflict in Ukraine and the increasing tensions between Russia and the EU have had a negative impact on the transnational activities of the organisations. For many CSOs it has become complicated to collaborate with partner organisations and groups in Russia and Ukraine, as they need to protect their partners from potential allegations. But at the same time, they mentioned the importance and positive role of CSOs in creating bridges between societies in conflict.

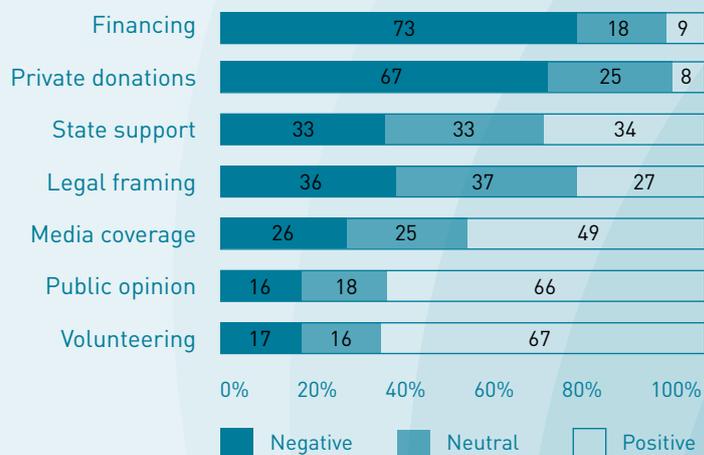
As for best practices, German CSOs, interviewed for this study, speak mostly about new communication tools and ideas for a better inclusion of volunteers and migrants into the civil society. With these ideas, CSOs in Germany strive to strengthen their cause and enhance civil society development in general.

SPAIN:

Consequences of Economic Crisis

For Spain – as an example of the EU Southern countries, with varying degree of democratic culture and development in its regions – the consequences of the economic crisis are especially important for CSOs. During recent years, including 2016, the third sector was reduced because of financial problems common to most CSOs. Some depend on public funding and this dependency is weakening the sector, and is especially damaging to small organisations. The economic crisis has also left people less able to support CSOs financially. Therefore, financing and private donations appear the most important challenges for Spanish CSOs (Figure below).

Answers of Spanish respondents on the question: **How do you evaluate the context conditions for your NGOs?**



There are other challenges for Spanish CSOs, such as a need to reinforce the relationships between organisations and other sectors (state, private profit sector, academia, civil society, and community) and to increase the CSO’s social base. A lack of a transparency culture within CSOs, the need for professionalisation, and improvement of organisational management, etc. are also mentioned as challenging.

On the other hand, new opportunities arise for CSOs to reinvent themselves, to diversify their financial sources, to improve and introduce innovations to tackle fewer resources.

In the interviews, new CSOs strategies were mentioned such as proactive measures towards public administrations, improvement of social media presence, crowdfunding, copying some practices from other countries, and creating partnerships to advance in social and technological innovations.

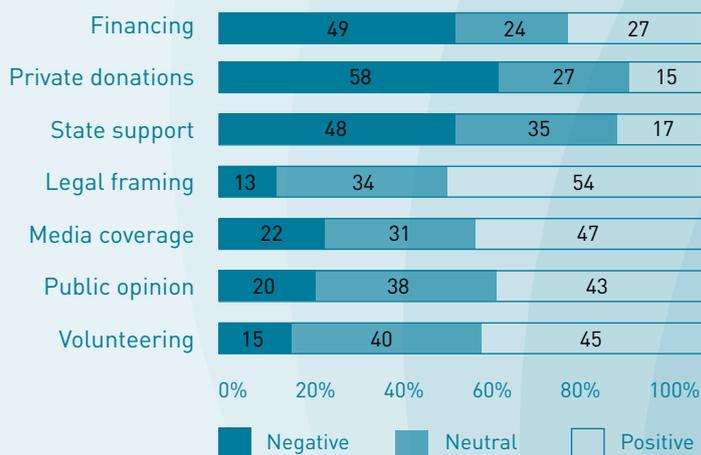
POLAND:

Expecting Negative Trends

For the CSOs in Poland 2016 was very difficult because of new policy towards civil society and its organisations introduced by the new government party, Law and Justice (PiS), elected in October 2015. Throughout the year, the new government introduced restrictive measures towards independent media and other political institutions, different CSOs target groups, and discussed further legal and financial restrictions. The CSOs working on human rights, especially with different minority groups, were in a worse position, as public discourse became more discriminatory and fostered hate speech.

As the research shows, the Polish CSOs evaluated these policies critically. The public authorities adopted a negative attitude towards civil society, as well as their openness for civic dialogue. There was also a reluctance to financially support part of the third sector and access to EU funds has been limited. These negative processes are ongoing in relation to CSOs financial activity and state support (Figure below).

Answers of Polish respondents on the question: **How do you evaluate the context conditions for your NGOs?**



Organisational problems were also mentioned among challenges, such as lack of human resources and knowledgeable employees, work overload, and even threat to existence and the need adjust operations to meet legal and financial changes.

At the same time, some positive processes are also observed within the Polish third sector, with CSOs gaining support and recognition from society through media and public opinion, as well as citizens' involvement.

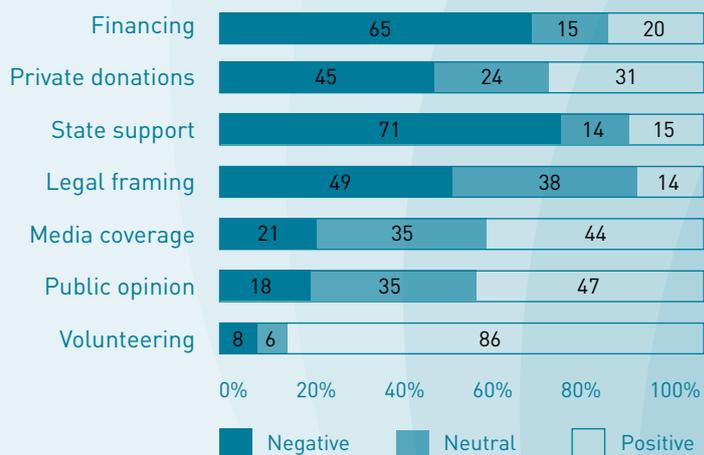
This new situation has also motivated CSOs to act. The sector has started to organise itself and several thematic coalitions have been established. Some CSOs opened themselves more to the public, building circles of their followers and supporters. These measures create some potential for counteracting the long-term problems of the Polish civic sector.

HUNGARY:

Advanced Negative Trends

The Hungarian CSO situation is very much influenced by the policies towards CSOs adopted by the ruling party Fidesz. Its leader, Viktor Orbán, came to power in 2010, and over the next four years the government rewrote the whole framework of the Hungarian public law system – including regulations regarding the civil society. While the new laws have brought about several positive changes, they have also redefined “public benefit” (to mean beneficial to the state and the government), increased administrative burdens on CSOs, and limited their opportunities to take part in decision-making. Professional cooperation with state officials has become almost impossible. This worsening of state support and legal framework for CSOs was well reflected in the survey (Figure below). Also the system of state funding has been completely restructured. Funding has decreased and the awarding of it become ideologically biased, and dominated by the government. Besides the complete reorganisation of the legal and financial environment, the government has been continuously attacking and harassing CSOs via administrative measures, police investigations, and politically motivated smear campaigns.

Answers of Hungarian respondents on the question: **How do you evaluate the context conditions for your NGOs?**



An important development of the civil society sector since 2010 has been the construction of a network of pseudo-civil society organisations and/or government-organised NGOs (GONGOs). They are created to counterbalance government-critical voices and replace previously working independent CSOs. Finally, the smear campaign against CSOs critical towards the government’s policies were launched including legal and administrative persecution, criminal investigations and smear media campaigns.

Despite these challenges, many CSOs said their situation had improved in the past three years. The hostile political environment encouraged CSOs to cooperate and reach out to society more directly, which led to creative solutions in fundraising and communication, and helped bring about critical self-reflection.

RUSSIA:

Civil Society Sector Divided

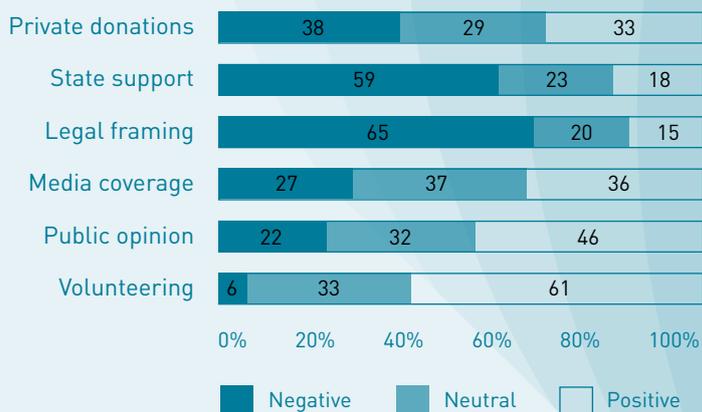
Today, Russia's civil society and non-profit sector faces multiple challenges, internal as well as external. The situation of 2016 was very much influenced by the official policy of restrictive measures towards CSOs critical to the Russian government, and its support of loyal CSOs.

With the help of legal regulation and financial instruments, the Russian official policy towards CSOs is aimed at their division: on one hand, the government has been creating a favourable environment for organisations working in the social sphere; on the other, it has taken restrictive measures against human rights and environmental groups. These two opposite trends reflected in the legal framework are experienced by organisations in their everyday work as the government's "two hands" acting in different ways in respect of civil society.

As a result, civil society is faced with the internal division into "us" and "them", into those who are "relevant" and those who are "always in the way". By strengthening the financial positions of socially oriented organisations and cutting off access to foreign and domestic funding for human rights organisations, this policy has shaped a new structure of the non-profit sector, characterised by major internal imbalances. Its implications are yet to be fully understood, but the observed trends, according to the CSOs surveyed, are already well-established and most likely long-term.

As the research showed, certain challenges are quite common for many CSOs and include problems with financial sources, low public awareness of their activities and low public trust. But the most important are external challenges connected with the legal framework and state support (Figure below).

Answers of Russian respondents on the question: **How do you evaluate the context conditions for your NGOs?**



Nonetheless, organisations are finding ways of dealing with these challenges by building and expanding their regional networks, reaching out to traditional and new media, continuing to develop professional expertise and reconsidering strategies of fundraising and strategic planning. The Figure above shows that the Russian CSOs very positively evaluate the rise of volunteering and in general favourable public opinion.

Your feedback & contribution

Your comments and proposals are very welcome, especially on further thematic aspects and countries to be studied and included in following Reports. Send your feedback and ideas to info@eu-russia-csf.org

Other CSF publications

We also invite you to look at our series of publications "What is Happening within the Civil Society" aimed at providing a better overview of the current state of civil society in single EU countries. See our website: www.eu-russia-csf.org

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The Report for 2016 is planned for spring 2017. All CSF members will receive a complimentary printed copy in English or Russian by post. If you would like an additional printed copy or the full version of the Report available as a pdf via e-mail, please contact us at: info@eu-russia-csf.org.