

Increasing *funding for grassroots organisations*: a democratic emergency

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We must picture a world without grassroots organisations to understand how much they contribute to the economy, society and democracy.

In healthcare, social work, culture, education, the environment and other areas, the volunteer sector provides whole swathes of non-market services of general interest to the general public in every part of the world. It is the glue that binds society together. Despite their diversity, they have one thing in common: they see the economy as a means of serving society. But European competition and budget cutbacks are hindering their initiative and commitment capacity and pushing them towards commercialisation at the expense of their social usefulness.

From 2005 to 2020, the share of subsidies in the budgets of grassroots organisations fell by 41%, leading to a rise in market-based approaches.

The decrease in subsidies and the increase in public orders and calls for projects are pushing them towards a "management approach" that distorts their work and contributes to the loss of meaning that many of their members deplore.

These changes undermine the economic balance of non-profit organisations, made worse by high inflation in 2022 and 2023, which has thrown Restos du cœur and social centres into serious difficulties.

A society cannot be imagined without the volunteer sector, which is a vital part of democratic life. There is an urgent need for action.

Funding for non-profits must be increased

The ESEC is convinced of the urgency and importance of increasing funding for volunteer organisations. This is confirmed by over 6,500 hearings and consultations. It calls for strengthening trust between committed citizens, public officials and legislators. The ESEC is therefore launching an appeal for greater vigilance by everyone with regard to the volunteer sector's sustainability.



113
billion

113 billion euros, or 3% of GDP, is the volunteer sector's economic weight

Source:
Lionel Prouteau and
Viviane Tchernonog,
Paysage associatif
français, 2023




41%

A 41% cut in subsidies

Source: ditto

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NOTICE:

The recommendations identified as priorities by the organisations during the public consultation and the deliberation day are indicated by this symbol: 


1 INCREASE GOVERNMENT FUNDING FOR NON-PROFIT ORGANISATIONS AND PRIORITISE SUBSIDIES WHILE PROTECTING THEM FROM COMPETITION

 → **Boost State and local authority subsidies for grassroots organizations**

How? By earmarking 2.5% of the government budget for the volunteer sector and implementing a **multi-year programming law for funding grassroots organisations** that contribute to the public interest.

→ **Consolidate the definition of subsidies and make them the main method of financing organisations**

How? By supplementing and giving a legislative basis to the Valls circular.

 → **Secure the concept of multiannual subsidies by ensuring that commitments are honoured under multiannual agreements**

→ **Include non-profit organisation activities in the public interest in the European sense (i.e. non-economic)** to protect government aid and citizens' initiatives from free market rules.


2 ENCOURAGE NEW FORMS OF FUNDING AND SUPPORT

→ **Set up a national mobilisation fund for the volunteer sector co-managed by representatives of local authorities, the government and non-profit organisations.**

→ **Create new socially and civically useful, permanent, high-quality subsidised jobs that are based on community projects and accessible to all**

 → **Transform the deductibility of donations to public-interest organisations into a tax credit** on the basis of the current conditions for donations and sponsorship.

3 RESTORING TRUST AND REFORMING GOVERNANCE

 → **Replace the Republican commitment contract with the charter of reciprocal commitments between the government, local authorities and grassroots organisations**

→ **Encourage the creation of national and regional bodies with mixed governance between elected officials, citizens and grassroots organisations for the evaluation and funding of those organisations.**

THE RAPPOORTEURS

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