

This report was created for the Centre for European Volunteering (CEV) 2021 by Samuel Nelson as part of his course requirement for the Bachelor's degree of International Relations and Modern Languages at the University of East Anglia (UK). It is intended as a first step in analysing the relationship between sources of funding for the not-for-profit sector and the levels of volunteering participation within selected European countries.

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'Investigating the funding structures for the Not-for-profit sectors in France, Norway, Switzerland and Hungary and their influence on public opinion on volunteering'

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Introduction

The not-for-profit (NFP) sectors in Europe have been continually growing in recent years aiming to fill in the gaps between the public and private sectors and the responsibilities they neglect and/or require assistance in mitigating. Commonly known as the “third sector” and “Civil Society sector”, (the three terms I will use interchangeably throughout this report), the role of NFP organisations varies from country to country across Europe, depending on the size, economic stature and history of these industries and their respective countries. Within this report I will examine four countries and their NFP sectors specifically: France, Norway, Switzerland and Hungary, with a specific focus on how they are each funded. The second element of this report will be to assess the popularity of volunteering within these industries as volunteering is a key element that underpins the entire NFP industry, and attempt to identify if the way the sector is funded may influence public opinion on volunteering as one of its core mechanisms, or vice versa. Due to limited data being available on the exact funding for volunteering programs in my selected countries, it has been assumed that funding and therefore support for the NFP sector at large is representative of support for volunteering also. The key questions I am aiming to explore throughout this report relate to whether more funding for the third sector necessarily predicates more enthusiasm for volunteering, as well as whether a certain type/source of funding dominating the sector can entrain higher levels of public opinion or voluntary participation, perhaps due to the more efficient allocation of funds.

Prominence and funding of the third sector

The not-for-profit sectors in France, Norway, Switzerland and Hungary are all varying sizes and comprise significant to negligible segments of each country’s economic landscape. For example, the third sector in Switzerland employs around 4.5% of all working adults, employing more workers than both the construction industry and the fishing and agriculture industry (Helmig et al, 2011). This is before even counting the number of volunteers who donate their time to NFPs as well. Then on the opposite end of the spectrum there is Hungary, where the sector accounts for less than 1% of economic output (EU, 2011). The disparity between the prominence of the third sector between countries in this report can be explained by a number of variables but I will avoid expanding on them too deeply so as not to venture out of the scope of this report; it can be characterised more simply as stemming from the differences in historical and cultural attitudes towards collectivism and current and past economic strength. The next segment of this report will begin to describe the state of the Civil Society sector in the chosen countries, as well as commenting on how the sector is funded and from what sources. In some examples there is data on funding for volunteering programs specifically, but as there is not sufficient

evidence to examine the sources of this funding solely, the examination will take funding for the NFP sector and funding for volunteering specifically as synonymous due to the intrinsic link between the two components as one underpins the other.

France

The NFP sector is a hugely important industry in French society and plays a prominent role in several areas of the community. There are estimated to be at present 1,500,000 active “associations” in France (HAL, 2018), “associations” being the French word for a voluntary organisation or NFP within any sector, and around 70,000 new “associations” are set up every year. The true number of associations is estimated to be growing by 35,000 a year as there are a significant number of associations who become unofficially inactive, although this is a difficult affirmation to establish for certain (EU, 2011). The French third sector also accounts for a staggering 8% of all employment in the country (HAL, 2018). Unsurprisingly, the NFP sector in France generates the highest income of all the countries within this report due to its population and economy size, with a total revenue of €120 billion, a hugely impressive contribution of 3.5% towards French GDP. In terms of sources for this income, associations are predominantly funded privately through fundraising (66%), private donations (5%) and membership fees (9%). Public funding only accounts for 20% of all earnings. The French government also allocates €25 million per year specifically for the purpose of training and developing volunteers as part of its “Associative Life Development Fund”.

Norway

The Norwegian third sector is extremely large relative to its population size and the country boasts 115,000 NFPs across the country (New in Norway, 2020). In contrast to France, NFPs in Norway are supported primarily by the state and receive most of their funding through national and regional level grant allocations. Norwegian NFPs received the equivalent of €8.8 billion in the year 2012 in funding, 43% of which derived from public resources. A further 39% of funding came from private households through fundraising and membership fees with the last 18% deriving from corporate donations (UN, 2015).

Switzerland

Despite its complex social landscape as a country with various internal identities, Switzerland has nurtured a strong Civil Society sector to grow immensely and the sector now employs 4.5% of all working adults in the country, equivalent to 180,000 full time equivalent workers (FTE). The sector employs more FTE than numerous traditional labour forces, employing more workers in NFPs than either the agriculture/fishing industry or the construction industry.

In 2005, the revenue of NFPs in Switzerland totalled €15.6 billion, the lion's share of which coming from private funding through fundraising and fees (58%), with public funding equalling around 35% and private donations equating to 8% of all NFPs funding (Helmig et al, 2011).

Hungary

As the weakest country examined in this report in terms of economic output, it may have been presupposed that the Civil Society sector in Hungary may be disproportionately weaker than its counterparts, which is true to an extent but the country still maintains a healthy and growing Civil Society sector. There are an impressive 61,000 NFPs in Hungary (eu4myregion, 2018), with funding for the sector being principally sourced from both the EU and public funding resources (CEV, 2020). This is due to the fact that personal income levels in Hungary are not as high as other more affluent European countries, therefore more dependency on state and external funding such as from the EU is required. State funding accounts for 35% of the sectors funding with private donations contributing just 9% of all revenue totalling €1.6 billion (EU, 2011). The EU is equally a significant contributor and in 2019 alone awarded €26.5 million to Hungarian NFPs in the fields of education, training and sport alone (Europa, 2019). One initiative also implemented by the Hungarian government is the ability for taxpayers to donate one percent of their income tax to an NFP organisation instead of paying it into the public spending pot; this is an initiative that saw 28,000 organisations receive extra funding in 2008 (EU, 2011). The Hungarian government also recently committed in 2018 to providing more future funding to NFPs, promising an additional €4.25 million will become accessible to organisations of all sizes (CEV, 2020).

Volunteer participation

France, Norway, Hungary and Switzerland all have very different histories and cultures that impact the levels of volunteer participation within their respective societies. In 2011, the year marked as the European Year of Volunteering, the European Union estimated the EU average for how many people had carried out some form of volunteering activity in the past year to be around 25% (Swiss Info, 2011), inclusive of both formal and informal volunteering actions. The definition of volunteering can become complex, also, when examining the different definitions used by the different countries in this report, for example, volunteering work undertaken whilst during working hours as part of a corporate partnership is commonplace in the more affluent countries in this report such as France and Norway but may not fit the definition of volunteering in Hungary due it technically being remunerated still in some way. In the interest of accuracy, I have decided for this report to accept that this form of voluntary service does still qualify as

volunteering, as the amount of volunteering completed under these circumstances but not recorded in Hungary is a negligible amount due to the lack of corporate collaboration with the third sector, and as such will have little impact on drawing reasonable conclusions as the data is still largely accurate. The next section of this report will examine the popularity of volunteering in each of the selected countries, as defined on the aforementioned basis.

France

Volunteering in France is considered fundamentally important within almost all areas of life and the number of volunteers in each is impressive given the size of the country, boasting 20 million “benevoles” or volunteers according to a survey by the French Institute of Public Opinion in 2019. This number can be broken down as 13 million active members in volunteering organisations, 2 million in other voluntary organisations such as trade unions, political parties’, religious organisations and 5 million committed to informal volunteering arrangements within the community (CEV, 2020). It is estimated that 38% of the French population over the age of 15 engage in some form of voluntary activity, a figure significantly higher than the E.U. average, with volunteer organisations being deemed as “indispensable to society.” Public opinion goes even as far as to say that citizens place more faith in volunteer organisations than politicians and public powers when it comes to combating certain societal issues such as animal protection and fighting against poverty (CEV, 2020).

Norway

Volunteering is highly popular in Scandinavia and Norway is certainly no different - its known for its strong culture of volunteering as 80% of Norwegians are part of at least one voluntary organisation with a total number of 10 million members due to the tendency for many people to be members of multiple. There are more active members than passive with nearly half (48%) of all adults volunteering annually. The total number of hours spent on voluntary projects by volunteers is equivalent to 115,000 full time employees which equates to the staggering total of 133 million working hours contributed in 2019 (CEV, 2020).

Switzerland

Switzerland has a deeply embedded culture of volunteering represented by the sheer number of hours its population undertake through voluntary work: on average each citizen contributes 7.1 hours per month (2.4 formal, 4.7 informal), totalling 664 million hours in 2016 (CEV, 2020). A large proportion of volunteering programs in Switzerland are frequently carried out through partnerships between NFPs and private enterprises wherein staff are not paid but are allowed time off work in which to complete voluntary service. Around 25% of the population carry out

at least one voluntary activity per month and in 2010, 33% of the Swiss adult population was involved in one or more voluntary activity during the course of 2010 (Swiss info, 2011).

Hungary

Hungary has a slightly lower volunteer rate than other countries in this report but it still boasts a reasonable percentage of its population who engage in voluntary activities: 27.4% of the adult population (equal to 2,209,000 people) have performed some formal or informal volunteering during the past 12 months, as of Autumn 2018 (Bokanyi et. Al, 2018). In addition to this, 6% of the adult population have or currently are participating in a voluntary program (2018), however, volunteer rates have been in slight decline since their peak in 2007 when volunteers contributed a total of 50 million working hours in the calendar year (EU, 2017).

A relational analysis of third sector funding and volunteer participation

Now that the data has been presented regarding the funding structure for each of the countries in this report and the tendency of these countries to volunteer, it is now possible to make some comments regarding how the two concepts interact. The first hypothesis I can assess is that higher relative levels of funding equates to higher levels of volunteer participation and therefore a more positive public opinion. Based on the evidence I have presented so far; I assert this hypothesis to be correct. Norway, France and Switzerland spent at least 2% of GDP each on funding their respective NFP sectors, translating to significantly more volunteer support and improved public opinion compared to Hungary who spent just over 1% of their GDP on the same sector and saw markedly lower returns in interest and support.

Furthermore, the country that on first reflection at the statistics may appear to have the most positive public opinion on volunteering due to their exceptional participation is Norway, eclipsing the nearest country to them (France) in terms of percentage of population who volunteer annually by a whole 10%. However, this would be acceptable only on the assumption that support for volunteering initiatives were measured solely on participatory commitments, excluding other methods of support for volunteering such as financial commitments which is a domain in which the French public can be argued as more supportive. The percentage of funding acquired by the French NFP sector through communal means such as fundraising and membership fees is significantly higher than that of Norway who depend more than twice as heavily on public funding (43% of their revenue being publicly sourced compared to France's 20%), implying that French public support of volunteering and NFP movements translates more strongly through economic means and can be used to argue that public opinion is in fact more positive despite there being 10% less volunteers per year.

Alternatively, both Hungary and Switzerland receive 35% of their funding for the third sector from public sources, however public opinion on volunteering is vastly different in the two countries. In Switzerland, volunteering is considered an integral part of life and the volunteering average is comfortably higher at 33% of the population volunteering once a year than that of the E.U. at 25%. The average for Hungary is scarcely higher than the E.U. average, registering at just 27.4% of the population engaging in any voluntary activity. The NFP sectors in both countries receive the same proportion of funding from public funds at 35%, however the difference and therefore explanation lies with the difference between receiving funding from external benefactors, in the case of Hungary being the E.U., as opposed to generating revenue from within the domestic community independently. It is possible to assert that Swiss citizens are more inclined to volunteer and share a more positive outlook on volunteering as they know they are contributing financially as a community and can volunteer themselves to see the benefits of their own contributions, whether it be socially or professionally, and have gained valuable experiences through these opportunities. This in turn creates a more unified and communal approach to volunteering. On the other hand, Hungary receives money predominantly from the E.U. and not from self financed operations, therefore its citizens feel less obliged to take advantage of volunteering opportunities resulting in less positive experiences and less value being placed on the benefits of volunteering, preventing the cycle from being able to kick start domestic support.

Conclusion

To conclude, I believe it to be accurate to say that greater funding for the NFP sector and consequently for the volunteering programs that come concomitantly is proven to improve public opinion on the activity. More funding promotes more opportunities and exposes more people to a wider range of volunteering activities, as well as the fact that if more volunteering projects are commissioned, more people will see the tangible benefits. On the other hand, I believe the type of funding that ensures the most positive opinion on volunteering remains inconclusive, as financial support and participatory support are too difficult to compare and provide too many uncertain variables. Both must be optimised simultaneously to ensure maximal results but there appears not to be a link between one type of funding and more effective volunteering processes.

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The Centre for European Volunteering (CEV), established in 1992, is the European network of over 60 organisations dedicated to the promotion of, and support to, volunteers and volunteering in Europe at European, national or regional level. CEV channels the collective priorities and concerns of its member organisations to the institutions of the European Union and the Council of Europe. CEV's vision is a Europe in which volunteers are central in building a cohesive, sustainable and inclusive society based on solidarity and active citizenship. CEV is a European network of organizations dedicated to the promotion of and support to volunteers and volunteering. Our mission is to provide collaborative leadership to create an enabling environment for volunteering in Europe.