


Procedure file

Basic information	
COS - Procedure on a strategy paper (historic)	1997/2214(COS)
Procedure completed	
Voluntary organisations and foundations in Europe	
Subject 4.10.16 Social and community life, associations, foundations	

Key players	
European Parliament	
Committee for opinion	Rapporteur for opinion
ECON Economic and Monetary Affairs, Industrial Policy	Appointed 21/01/1998
	V WOLF Friedrich
JURI Legal Affairs, Citizens' Rights	21/05/1997
	PSE COT Jean-Pierre
Council of the European Union	

Key events			
06/06/1997	Non-legislative basic document published	COM(1997)0241	Summary
24/10/1997	Committee referral announced in Parliament		
26/05/1998	Vote in committee		Summary
26/05/1998	Committee report tabled for plenary	A4-0203/1998	
02/07/1998	Debate in Parliament		
02/07/1998	Decision by Parliament	T4-0404/1998	Summary
02/07/1998	End of procedure in Parliament		
20/07/1998	Final act published in Official Journal		

Technical information	
Procedure reference	1997/2214(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 050; Rules of Procedure EP 142
Stage reached in procedure	Procedure completed
Committee dossier	EMPL/4/09298

Documentation gateway					
Non-legislative basic document		COM(1997)0241	06/06/1997	EC	Summary
Economic and Social Committee: opinion, report		CES0118/1998 OJ C 095 30.03.1998, p. 0099	28/01/1998	ESC	Summary
Committee of the Regions: opinion		CDR0306/1997 OJ C 180 11.06.1998, p. 0057	12/03/1998	CofR	
Committee report tabled for plenary, single reading		A4-0203/1998 OJ C 210 06.07.1998, p. 0007	26/05/1998	EP	
Text adopted by Parliament, single reading		T4-0404/1998 OJ C 226 20.07.1998, p. 0013-0066	02/07/1998	EP	Summary

Voluntary organisations and foundations in Europe

OBJECTIVE: overview of the legal and fiscal framework for voluntary organizations and foundations and ways of improving their economic and social impact within the Union. SUBSTANCE: this sector of the social economy contributes on a daily basis to democracy, active citizenship and the creation of employment. In analyzing the sector in the 15 Member States (there are over 5 million organizations/foundations in the Community), the Commission examines the scope of organizations and foundations highlighting their economic and social significance. With regard to voluntary organizations, the Commission observes that they are distinguished from informal or ad hoc groupings by some degree of formal or institutional existence. They are non-profit distributing, that is to say, they do not set out to secure profits for their management or members. They are independent in principle of government and other public authorities although they are free to collaborate with them. Foundations on the other hand are bodies with their own source of funds which they spend on activities of public interest. They are entirely independent of government or other public authorities and are run by independent administrators or trustees. Regarding the legal framework, the freedom to establish, join or leave a voluntary organization is nowadays a recognized right in all the Member States. From a general point of view all citizens are free to establish a voluntary organization or foundation anywhere in the Union although some Member States stipulate that there should be a minimum number of their own citizens or residents involved. In legal terms voluntary organizations and foundations are entities of private law. Unlike voluntary organizations, foundations are generally subject to prior scrutiny to ensure that their statutes are in strict conformity with legal requirements. In addition to a greater or lesser extent all Member States accord tax privileges to voluntary organizations depending on their level of public interest (exemption from tax or social charges, various concessions etc.). Other provisions are made for tax relief for donors or with regard to indirect tax (e.g. zero rate). Concerning the development of this sector, the Commission proposes a range of national and Community measures with a view to achieving further progress. At Member State level the Commission proposes: - the development of research programmes to require deeper knowledge of the sector, - review of policies carried out by the public authorities, - establishing a clear and useful legal framework, - achieving sounder financing in the sector, - encouraging training, - better access to programmes receiving European funding. At European level the Commission proposes: - improving dialogue with the Community Institutions, - developing research, - helping the sector to participate more effectively in European training programmes and secure easier access to Community funding, - introduction of a 'European Year' relevant to voluntary organizations and European citizenship, - establishment of special funds to promote transnational cooperation by voluntary organizations and foundations.?

Voluntary organisations and foundations in Europe

The Economic and Social Committee, which represents European citizens' organizations, welcomes the long-awaited Communication and appreciates the Commission's positive approach to voluntary organizations and foundations. The Committee feels the Communication should be followed up with concrete measures. In the run-up to the IGC, voluntary organizations had high hopes of an explicit reference to the sector's role being enshrined in the Treaty. The Committee regrets this did not happen, as it would have provided political recognition for the activities of the voluntary sector. The sector is, however, affected by the declarations adopted in Amsterdam on voluntary service activities and sport. In the run-up to EU enlargement, the Committee would call on the Commission to ensure that accession negotiations take account of the situation of voluntary organizations and foundations in the applicant countries, both in terms of legislation and other opportunities for full participation in European cooperation. Given the lack of information on the sector, the Committee believes it is essential to carry out regular surveys in order to be able to assess the development of voluntary organizations and foundations in all EU countries. The Committee would particularly emphasize the importance of voluntary organizations in bolstering democracy in Europe. They provide individuals with an outlet for their ideas, and an opportunity to work towards the goals they believe in; they can carry out meaningful tasks and find a place in society; they can make themselves heard, and influence and achieve change. In the Committee's view the subsidiarity principle should continue to be applied to legislation governing voluntary organizations and foundations. At the same time, the Committee would call on the Member States to review their regulations, to remove any obstacles to the variety and development of such bodies. ?

Voluntary organisations and foundations in Europe

The Committee adopted a report by Fiorella GHILARDOTTI (PES, I) on the role of voluntary organizations and foundations in Europe. The Committee wants to recognize NGOs as full partners in the new structural fund regulations. It suggests that 1 % of the European Social Fund budget should be made available for NGOs in addition to the present structural resources. These funds could be used for micro projects

managed by NGOs and local partners. However, the Community must acknowledge NGOs weaknesses in finance, administration and planning and provide them with appropriate information and support measures. According to the Committee, a part of the funds for innovative SMEs in the framework of the employment initiative should be earmarked for voluntary organizations and foundations. In addition, certain labour-intensive services provided by non-profit making organizations should have a reduced VAT rate if they are not subject to trans-border competition. The Committee is willing to give the NGOs a more visible role in European integration. The Commission should revive the idea of a wide-ranging consultation process in connection with the revision of the Treaties. A structured sectoral dialogue should be set in motion between the European institutions and NGOs represented at the European level.?

Voluntary organisations and foundations in Europe

In adopting the report by Mrs GHILARDOTTI (PSE, I) on the role of voluntary organisations and foundations, the European Parliament called for an in-depth analysis of the non-profit-making sector consisting of voluntary organisations and foundations at local, national and European level. This should make it possible to reinvigorate work on Community legislative proposals concerning a statute for a European association and foundation and the multiannual programme for them. It should also help to prepare for the European Year of Voluntary Organisations and Active Citizenship proposed by the Commission. In the context of the proposal for a statute for a European association and foundation, Parliament hoped that a clear distinction would be made between the proposed Statute and the proposal for a Regulation on the European public limited company. In particular, the operating procedures typical of the European plc, a purely economic entity, should not be imposed on the voluntary sector. Parliament stressed the relevance of local action for possible synergies between private business, public-sector and "third sector" initiatives. It welcomed the proposal to make available 1% of the European Social Fund budget for non-governmental organisations, but stressed that this percentage should come in addition to the structural resources already available to the sector. It considered that the new regulations on the Structural Funds should recognise the NGOs as full partners. In the field of employment, it stressed the importance of the non-profit-making sector for job creation and, in the context of the proposal for a multiannual programme of work for this sector, called for part of the resources available to be concentrated on considering the contribution which the sector as a whole could make to carrying out employment policy measures. Measures relating to the sector should also be taken in the context of the efforts being made to implement the employment guidelines adopted at the Luxembourg European Council. It recalled that with the initiative to finance innovative SMEs with high employment levels, part of the financing could be earmarked for SMEs in the third system, especially in sectors such as public health and education. It supported the application of a reduced rate of VAT for certain labour-intensive services provided by the third system. It urged the Commission to enhance the role of the non-profit-making sector in building and consolidating democratic structures in the countries of Central and Eastern Europe and the Mediterranean. It called for a structured sectoral dialogue to be set in motion between the European institutions and the NGOs represented at European level, based on common criteria and procedures. It called on the Commission, finally, to revive the concept of a wide-ranging democratic consultation process in connection with the revision of the Treaties.?