

# VOLUNTARY ORGANISATIONS: VITAL CONTRIBUTORS

KAY GRETCHEN

Voluntary organisations' vital contributions are widely recognized. There are many forms of these organisations, which are accompanied by a plethora of acronyms that hinder clear discussion. Some of these organisations strive to benefit the public in some way. These organisations, frequently called NGOs, receive support and encouragement for their public service from governments and supra-national bodies. Indeed, EU institutions involve non-governmental organisations at all levels of policy-making and delivery. In contrast, the Government of Malta has made disappointing progress in developing a legal framework, appears not to value the voluntary sector's expertise and hinders voluntary organisations' access to valuable information due to its means of presentation and dissemination. In addition, it has designated a number of government bodies, primarily in the social sector, as "non-governmental organisations." Its purpose for doing so may be perfectly legitimate, but government-controlled non-governmental organisations competing with the independent ones would not be in the country's interest. Whereas a clear communication program and dialogue could stimulate the voluntary sector's capacity-building process, the combination of competition from the Government and its current relationship with the voluntary sector is likely to have the opposite effect. However, all stakeholders, including the voluntary organisations, need to nourish the heart of Maltese civil society by exercising patience and persistence, for sustainable health.

The voluntary sector is the heart of civil society. Regardless of size, form or purpose, voluntary organisations provide independent views of politics, culture, leisure and all activities of life in which humans engage. They also provide the important means for individuals to influence their own lives and the conditions of society at large. As Putnam has convincingly argued, societies with a history of forming associations have a stronger civic culture, the trust from which tends to result in more effective democratic institutions and healthier economies.<sup>1</sup> Recent trends in the voluntary sector have translated into a direct impact on economic health. The following extract from Douglas Rutzen's presentation to an NGO conference in Malta illustrates this: "non-profit organisations provide 4% of total

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<sup>1</sup> Putnam, RD. 1993. *Making Democracy Work: Civic Traditions in Modern Italy*. Princeton University Press: Princeton.

employment in Europe, 8.3 % of employment in Ireland, 9% of total employment in the service industry, 1 of 7 new jobs in France and 1 of 8 new jobs in Germany”<sup>2</sup> Indeed, he also noted in an interview that due to this economic impact, finance ministries in the new Central and Eastern European EU Member States are often the strongest advocates in their countries of positive legal and fiscal frameworks for voluntary organisations and foundations.<sup>3</sup>

The multiplicity of forms, terms and their acronyms and definitions of these organisations presents a confusing picture, which renders agreement on terminology and definition difficult. Multi-purpose forms that seek both public and private benefits, such as an artists’ association that gives art lessons to poor children; single purpose forms that restrict themselves to either public or private benefit, for example charitable foundations and book clubs, respectively; and *ad hoc* groups with little or no structure are a few of the main categories of organizational forms. One term that is often used is ‘civil society organisations’ (CSOs), which are often defined as all non-state organizations besides the family, may more accurately be seen as those which represent and promote shared private interests in the public arena.<sup>4</sup> Trade unions, chambers of commerce, neighbourhood associations, youth clubs and advocacy groups are just a few examples from the broad range of organisations included. The term ‘voluntary organisations’ is almost as broad, but emphasizes the choice to associate for a common purpose and some donation of one’s time and labour—at least of the board members or organizers. Another common term, non-profit/not-for-profit organisation (NPO), refers to a key characteristic of civil society organizations: surplus income is not used for personal gain, but for the common purpose of the organisation. This does not exclude economic activities that result in profits, paying employees’ salaries, or monetary support of individuals. It means, however, that generation of profits is not the purpose of the organization, but the means of realizing its goals. It also means that the profits are not distributed to board members, officers, or members. As mentioned above, there are single-purpose organizations, such as public benefit organizations (PBOs), private benefit organizations (PVOs), charities and foundations. Most associations (i.e. member-based) are multi-purpose organizations. The most difficult term to define is ‘non-governmental organisation’ (NGO), as it is used so freely as a short-hand. The problem lies in its vagueness. Not only does its collection of characteristics vary widely among users, but also which specific characteristics are being alluded to is rarely specified, at least in popular discourse. Unless where noted otherwise, this paper follows the Commission’s description as used in its Discussion Paper, “The Commission and Non-Governmental Organisations: Building A Stronger Partnership”:

- NGOs are not created to generate personal profit....
- NGOs are voluntary....
- NGOs are distinguished from informal or ad hoc groups by having some degree of formal or institutional existence...

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<sup>2</sup> Rutzen, D. Presentation to the seminar “The Challenges of NGO Legislation”. Malta, 1 March, 2005.

<sup>3</sup> Macdonald, V. NGOs ‘an engine of economic development’. *The Times* [Malta]. 1 March, 2005.

<sup>4</sup> Scott, S.J. (2003, September). From Benin to Baltimore: Civil Society and Its Limits. *The International Journal of Not-for-Profit Law* [Online] 6:1. International Center for Not-for-Profit Law Retrieved 23 June, 2005 from the World Wide Web: [http://www.icnl.org/JOURNAL/vol6iss1/ar\\_scottprint.htm](http://www.icnl.org/JOURNAL/vol6iss1/ar_scottprint.htm)

- NGOs are independent, in particular of government and other public authorities and of political parties or commercial organisations
- NGOs are not self-serving in aims and related values. Their aim is to act in the public arena at large, on concerns and issues related to the well-being of people, specific groups of people or society as a whole. They are not pursuing the commercial or professional interests of their members.<sup>5</sup>

All types of voluntary organisations enrich their societies in many ways, and as seen above, are encouraged and supported in their endeavours in return by governments through enactment of legal frameworks. Those organizations that provide public benefits receive further support through fiscal benefits such as tax exemptions, incentives for philanthropy, grants, and permission for fundraising through public collections.<sup>6</sup> Governments and supra-national bodies further demonstrate their appreciation of these publicly-beneficial organisations through including them in the policy-making and delivery process. They should at least be consulted at all stages of drafting legislation and regulation that affects them, according to the conclusions of a Council of Europe multilateral meeting.<sup>7</sup> Many of the European Union institutions actively involve NGOs in the institutions' decision-making process, to improve its effectiveness and to relay information back to the local level. The Commission extends this to policy delivery. Hundreds of NGOs in Europe and throughout the world receive over €1,000 million per year to support their projects.<sup>8</sup> Admittedly, the institutions are not perfect partners: labyrinthine policy processes, Byzantine bureaucracy and minimum standards of representativeness/expertise for the NGOs make it difficult for organisations to navigate their way to being part of the policy-shaping or delivery process.

In stark contrast, the Government of Malta apparently has little appreciation for the value of the independent voluntary sector. To date, it has made disappointing progress in developing a legal framework, despite numerous appeals by the voluntary sector to do so. The only answer is that a White Paper and legislation is 'imminent'. In January of 2004, a group of 20 NGOs formed a working group to push the process forward. By June, the group, now called the Non-Governmental Organisation Legislation Working Group (NGOLWG)<sup>9</sup>, had produced a Memorandum of Proposals for NGO Legislation and submitted it to the responsible Minister, that for the Family and Social Solidarity.<sup>10</sup> Each meeting and communication was initiated by the NGOLWG. Each time the group was assured that many

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<sup>5</sup> European Union Commission, presented by President Prodi and Vice-President Kinnock (2000). Discussion Paper. THE COMMISSION AND NON-GOVERNMENTAL ORGANISATIONS: BUILDING A STRONGER PARTNERSHIP [Online text file]. European Union, 3-4. Retrieved 18 June, 2005 from [http://europa.eu.int/comm/development/body/theme/ngo/ngo\\_useful-docs\\_en.htm](http://europa.eu.int/comm/development/body/theme/ngo/ngo_useful-docs_en.htm)

<sup>6</sup> Rutzen, *op. cit*

<sup>7</sup> Council of Europe. (1998). The Legal Status of Non-Governmental Organisations and Their Role in a Pluralistic Democracy: Guidelines to promote the development and strengthening of NGOs in Europe. Report of conclusions of the multilateral meeting *The legal status of NGOs and their role in a pluralist society*, organised by the Council of Europe in cooperation with the Japan Foundation. Strasbourg: Author. Retrieved 24 March from the World Wide Web: [http://www.coe.int/T/E/NGO/public/Convention\\_124/Meeting\\_reports/The\\_legal\\_status\\_of\\_non-governmental\\_organisations\\_and\\_their\\_role\\_in\\_a\\_pluralist\\_democracy.asp](http://www.coe.int/T/E/NGO/public/Convention_124/Meeting_reports/The_legal_status_of_non-governmental_organisations_and_their_role_in_a_pluralist_democracy.asp)

<sup>8</sup> European Commission, *op.cit*.

<sup>9</sup> However, the Group now realizes that 'NGO legislation' is a misnomer and the more common legal terminology refers to associations and foundations.

<sup>10</sup> This Memorandum is available at:

<http://www.geocities.com/inizjamed/ngosinmalta.htm#PARTNERSHIP%20FOR%20A%20HEALTHY%20VOLUNTARY%20SECTOR>.

of its points were ‘taken on board’ in the White Paper and draft legislation, but was not allowed to verify this for itself by looking at either document. As there are currently no fiscal benefits for organisations pursuing purposes beneficial to the public, other than tax exemptions rarely ceded to organisations’ own taxes, and then only on a basis of Ministerial (Finance) discretion, such benefits are not likely to be a part of the framework. Anecdotal evidence suggests that the tax regime is regressive and inconsistently applied. Some organisations are apparently taxed on gross income, others on net income. The basis for interpreting the rules is difficult to ascertain. Unsurprisingly, non-compliance with the system is rumoured to be significant. It should be noted that tax collection problems with all sectors of society feature regularly in the Maltese media. Legal and fiscal frameworks that support and facilitate voluntary organisations’ development will undoubtedly take some time, as well as patience and persistence on all sides.

The information channels regarding EU funding opportunities for NGOs are filled with obstacles: poor presentation, complex procedures, and false assumptions about information networks. Application and instruction materials are often in lengthy manuals that are difficult to access. For instance, the key documents for the Structural Funds are over 100 pages each, making it difficult and expensive to access online, as few NGOs can afford broadband connections. Furthermore, they are “zipped” for which not all organizations have the software to enable viewing. There are not clear, condensed explanations available on the website of the Managing Authority’s website, nor are the projects already in progress clearly labelled. Instead, they appear in a table marked simply “measure 1.1” and so on, without any indication that these do refer to projects. Indeed, on the Ministry for Rural Affairs and the Environment website, no mention is made at all of projects or the means for NGOs to participate. On the website of the Ministry for the Family and Social Solidarity, navigation is easier, and there is a link to more information about the related Structural Funds, but on the page for each project, only the team leader, a government entity, is given, not the NGO partners, or their parts of the project. Including this information would inspire and guide other organisations in planning to participate. The steps for application are either not indicated all, or not clearly outlined, on any of the websites. Online application is evidently not an option. The lengthy time needed to navigate the bureaucratic maze in person is bound to be a daunting prospect for many volunteers who must take time off from their jobs to do so. The Government relies on a constituted body, the Malta Council for Economic and Social Development, to disseminate information about the Structural Funds and related matters to the rest of civic society. However, no mention at all is made on this body’s website of Structural Funds, ongoing projects, or ways in which NGOs can apply or participate. Furthermore, the few NGOs who are selected to participate in this body have not set up a system of passing on information to other NGOs. It would be unrealistic to expect them to do so, however, as there is not a culture of information-sharing in Malta, but quite the reverse.<sup>11</sup> The NGO community in Malta also needs to cultivate new patterns of collaboration if the civic society body is not to suffer from angina!

Some Governmental institutions display an utter lack of understanding of the nature of non-governmental organisations. The website of the Ministry for the Family and Social Solidarity (MFSS) includes a list of non-governmental organisations, all of which are

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<sup>11</sup> See Gretchen, K. (2003). Managing the Impersonal in a Personalized Public Service. *Public Administration and Development* 23, 197-209. John Wiley and Sons: West Sussex.

Government entities. Nineteen are services of the Ministry's welfare agency, Appogg, eight are services of Sedqa, the Ministry's addictive behaviours rehabilitation agency, and three are units within the Department of the Elderly and Community Services, which is in the Ministry of Health, The Elderly and Community. Some of these entities are not even quasi-non-governmental organisations (QUANGOS), let alone independent non-governmental organisations.

Especially worrying is that the MFSS is responsible for legislation and regulation pertaining to voluntary organisations. Additionally, if these units designated as NGOs will be competing with independent NGOs for public support, the latter will find sustainability all the more difficult.

Transparency, accountability, improvement in organisational skills and collaboration will enhance the effectiveness and the public image of Maltese voluntary organisations, of all forms and purposes. The Government can aid this process of capacity-building by enacting positive legal and fiscal frameworks, by making information easily accessible, by following the Commission's example of involving NGOs, and not just the social partners, in all stages of policy-making and delivery and by not monopolising the voluntary sector. The voluntary organisations can help themselves by becoming aware of changing trends in the global voluntary community, and building cross-sectoral networks with other organisations within and beyond Malta. The public at large can also lend their support by taking interest in the development of the sector, upholding the Maltese tradition of generosity, and by holding both organisations and the Government accountable for their actions and use of public funds. The transition to a civil society characterised by trust and collaboration is bound to be slow and often frustrating. Is the alternative, maintaining the status quo, viable?