

The Financial Crisis and the Greek Development NGOs

This paper discusses the consequences of the financial crisis on development NGOs in Greece. More specifically, in what follows I first briefly present the actual situation of the NGDOs in Greece before the crisis hit. Then, I identify the consequences of the crisis over the last months that the crisis is more evident and finally I try to make a few recommendations as to how Greek NGDOs could deal with the financial crisis.

Greek NGDOS: The state of play

In Greece the first development NGOs were founded in the 80s and late 90s. The Greek National Platform of NGDOs was established in 1985, which is 14 years before the establishment of the Hellenic Aid. The first founding organizations were among others the Greek branch of the World Young Women's Christian Association (World YWCA) and the Greek Committee for International Democratic Solidarity. The Greek Platform was also a founding member of CONCORD. The Kosovo crisis in 1999 was a landmark in the history of the Greek development NGOs, as it led to the foundation of a number of new NGDOs which were activated initially in the field of humanitarian aid and later on in the field of development. The Kosovo crisis also led to the establishment of the Hellenic Aid the same year.

By 2007, the Greek Platform of NGDOs had 22 members including the biggest humanitarian and development organizations in Greece. Of course there are other smaller development organizations too which for various reasons, including the annual subscription, did not seek to join the Platform.

Looking for the culture of development NGOs in Greece, meaning by that term the values and main motivation behind the action of these organizations we can identify the following different motivations. Contrary to development organizations which were heavily supported by the church in other old member states of the EU, and thereby their underlying ideology is based on principles of philanthropy, in Greece the picture is more differentiated. More specifically, here one can find organisations directly linked to big family organizations such as ActionAid Hellas (founded in 1998 in Greece), Medecins du Monde (founded in 1990), Medecins Sans Frontiers (founded in 1990). They have similar to their "parent" organizations motives; they keep a close contact with them as they participate in trainings, capacity building activities and share a common framework of operation). There are also a couple of organizations driven by a left ideology of solidarity with people's movements all around the world (the latter do development work in regions such as Palestine, Lebanon, Guatemala, Colombia etc). Finally, there are more professional development organizations which are project oriented.

Concerning now the capacities of the organizations we should say that they are limited. One indicator that we could use is the low annual budget of the organizations and the number of the projects implemented or/and how many organisations have accessed EU funding within the last three years and what kind of projects they have implemented. These are only a few. Another indicator could be the number of people working in these organizations. Most of them do not have more than 3-4 people as permanent staff.

Another parameter in our discussion is the representation of the Greek NGOs within the Greek society. It appears that Greek NGOs have not managed so far to connect their work directly to the Greek society, although we do have signs that there is (or at least before the crisis there was) a fertile ground for that purpose. Indeed, Greeks have demonstrated generosity and readiness to donate for victims of big natural disasters every time there is a need (Earthquake in Turkey in 1999, Tsunami in Asia in 2004, earthquake in Haiti in 2010) which demonstrates a deep humanism in the Greek society. Nevertheless, Greeks overall are not educated concerning development issues and there are very few organizations supported directly by Greek citizens, mainly those connected with the big families mentioned above (ActionAid, Medecins du Monde and Medecins Sans Frontiers).

The natural consequence of the above weakness of Greek NGOs is also their dependence on funding from the Hellenic Aid. This latter element opens the discussion of the next section that is the consequences of the crisis on the NGOs in Greece.

The consequences of the financial crisis on the Greek NGOs

...And then came the crisis....

The crisis started becoming evident in mid-2009 but as the national elections took place in October 2009 it was somehow also covered up. The Hellenic Aid issued its annual call for proposals in July 2009 like every other year but the evaluation process was never concluded. This year, in 2010 and as these lines are being written, it is not clear whether the Greek state will be able to pay the salaries of the public servants and pensions. Therefore as officials of the Hellenic Aid put it, it is very difficult to determine if there will be funding available for development projects to be implemented by Greek NGOs. But in any case, even if there is some funding according to the current planning of the Hellenic Aid, this will not be more than 24 million Euros. It is recalled here that the Greek state has committed to raise the ODA to 0,5 % of its GNP, yet, in 2007 the Greek ODA was 0,14%.

The radical cuts and possible stop of funding from the Hellenic aid has an immediate impact on Greek NGOs dependent on this funding source. Many of them cannot even finish projects they have already started. Others, cannot plan for the future.

One indicator of the impact of the crisis is also the reduction of the members of the platform from 22 to 12 members over the last year.

Even those organizations which have members have seen their budget to decrease considerably over the last months.

Viewed from inside Greece this has further negative consequences for the organizations and the people working for them as well as for the Greek society. It has for sure a cost in terms of lost jobs and expertise in Greece. Organizations reduce their staff as they cannot pay their salaries anymore. Consequently, people who have already invested in this field and developed an expertise look for a job

in other fields, if not in other countries. Subsequently, this gradually leads to disorganization of the sector in Greece.

Furthermore, another very important consequence is that Development Education (DE) activities in Greece will be very limited as the same NGOs are the ones that implement also DE projects in Greece.

Viewed from outside there are two serious consequences to be considered here. Firstly, projects led by Greek NGOs, with good results in developing countries will not continue. Those of us who have worked in the field understand how duration and continuity might affect the sustainability of the overall interventions in these countries. In connection to that it should also be mentioned that the networks of partners of the Greek NGOs in the South and in other developing countries too will also suffer because of these dire developments in Greece and most probably will be left without support.

The second serious consequence is related to the challenges civil society in general and the NGOs in particular are faced with nowadays in the whole of EU. There is an increasing need for close monitoring of the EU Development policies, the formulation and application of the different financial instruments and a need for active participation of the NGOs in the formulation of these policies. Suffice to mention here the acute criticisms to the bureaucratic development models and the problems of effectiveness they have designed and applied by the EU Commission. With 12 new member states joining the EU this decade, the family of European NGOs has been indeed considerably enlarged. However, in the EU of 27 states there is a serious problem of a lack of common understanding among NGOs and a lack of a common culture, which is a necessary springboard for successful joint action to build a more stable, peaceful, prosperous and equitable world. The NGOs in the North are also responsible to make the voices from the South heard within the EU.

In brief, if Greek NGOs cannot join forces with the rest of the NGO family, this is not only a problem of Greece but also a problem that should concern the rest of the EU family too. And I would also dare to say that this is so for one more reason: Greece could be the bad example to be followed by other countries. We already have the first signs from different parts of Europe like the Netherlands, the UK and Austria where cuts in the budget for development work are announced nowadays.

The way forward: some first recommendations

It might be too optimistic to talk about the crisis as a blessing in disguise but we should definitely think what is of a way forward. In what follows, I suggest that the crisis could be an opportunity for Greek NGOs to reflect on the situation, organize themselves and prepare their response.

1. ***Time for Self-reflection.*** Although it is evident that the crisis has hit badly the Greek NGOs, the latter also share some responsibility about the actual impact of the crisis on their sector as they allowed themselves to be vulnerable to the financial crisis and the subsequent cuts on the development aid provided by the Hellenic Aid. It is thus necessary for the Greek NGOs themselves to evaluate the current situation and carefully conclude about their share of responsibility. Greek NGOs should discuss about the structural weaknesses of the sector in Greece.

2. ***Lobbying the Greek state for necessary policy and institutional reforms*** with regards to International Development Cooperation in Greece. One thing we know for sure is that there might be no budget at all in 2010 for the Greek Development NGOs; yet, funding is not the only issue of discussion between the Greek state and the Greek NGOs or their representative bodies such as the Hellenic Aid and the National Platform of NGOs. More specifically, perhaps it is precisely the right time for the NGOs to put on the table of dialogue burning issues such as the institutional framework of NGO-Hellenic Aid cooperation, issues of transparency in funding development projects, evaluation of the implementation, determination of priorities in the Greek development policy, let alone the big issue of policy coherence for development. This discussion should encompass also the formation of a framework for volunteers, their insurance and the terms and conditions for their work as well as the question of the taxes on donations for development work etc.

3. ***Enhancing networking and cooperation within Greece and abroad.*** Networking has been a catchy word over the last years in the field of NGOs. The Greek Platform, the representative network of the Greek NGOs, has often been depicted as a weak European Platform which is not very visible within Greece and abroad. On the other hand, and although this criticism might reflect reality, it should be emphasized that the Greek Platform operates 25 years now and it is perhaps the only National Platform in the EU which relies totally on its members organizations and the voluntary work of their representatives.

Networking, under the present circumstances of the financial crisis, should be enhanced and well targeted. As mentioned above the Greek Platform is also a founding member of CONCORD, a network which can provide access to information and knowledge, possibilities for capacity building and also access to lobbying and advocacy work which could influence the formulation of national and EU development policies. However, it seems that, there is space from both sides, CONCORD and the Greek Platform to improve the understanding of each other and increase the benefits their cooperation could produce.

February 2011

Dr. Eugenia Vathakou
Planning and Networking Director
Development and Education Center European Perspective (EP)
evathakou@hotmail.com