

# MAECENATA OBSERVATORIUM

ANALYSES, POSITIONS AND DISCOURSES ON CIVIL SOCIETY, ENGAGEMENT AND PHILANTHROPY

No. 59 – March 2022

## How can philanthropy build more bridges between the UK and Europe?<sup>1</sup>

by Daniel Ferrell-Schweppenstedde

After many years of political wrangling, the UK has finally left the European Union (EU). We are now in the middle of establishing a new relationship with European states. Central to this will be the new UK-EU Trade and Cooperation Agreement (TCA), and civil society should play a role in shaping its implementation.

The new UK-EU TCA allows for the involvement of civil society through the Domestic Advisory Group and for the Civil Society Forum to advise on its implementation. Domestic Advisory Groups connect citizens with trade issues and have a consultative role on the implementation of Free Trade Agreements that the EU signs with other countries or trading blocs.<sup>2</sup> The UK Government has recently issued Expression of Interest applications for membership of both groups.<sup>3</sup>

Significantly, the UK remains part of Europe, which is larger than the political union. Ties remain not only in a geographical sense, but also between the sectors which have strong links to Europe (for instance in business, culture, academia etc.), and envisage their activities in a wider European context.

The EU has always provided an additional framework for these ties to exist and flourish. However, most sectors have a myriad of networks that are not necessarily predicated on EU membership per se. These ties are widely impacted by Brexit due to its legal and economic ramifications, but they also continue to exist in spite of these impacts.

### 1. What comes after EU funding?

Civil society has felt the changes that came with leaving the EU from the early days. The potential loss of EU funding was one of major concern, with many small and medium-sized charities being part of the service supply chains that benefitted from EU funding programmes, mostly on the local level. Initially, losses were estimated to be around

<sup>1</sup> The original version of this text was issued by Alliance Magazine which can be accessed online at:

<https://www.alliancemagazine.org/blog/how-can-philanthropy-build-more-bridges-between-the-uk-and-europe/>

<sup>2</sup> European Economic and Social Committee (2019): The role of Domestic Advisory Groups in monitoring the implementation of Free Trade Agreements. Online: <https://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/role-domestic-advisory-groups-monitoring-implementation-free-trade-agreements>

<sup>3</sup> UK Government (2021): Expressions of interest (Eoi) for membership of the UK Domestic Advisory Group and Civil Society Forum under the Trade and Cooperation Agreement. Online:

<https://www.gov.uk/government/publications/expressions-of-interest-eoi-for-membership-of-the-uk-domestic-advisory-group-and-civil-society-forum-under-the-trade-and-cooperation-agreement/expressions-of-interest-eoi-for-membership-of-the-uk-domestic-advisory-group-and-civil-society-forum-under-the-trade-and-cooperation-agreement>

£258m,<sup>4</sup> with the real number potentially higher. The UK Government has since then made a commitment that any shortfall in EU funding post-Brexit will be replaced by the UK Shared Prosperity Fund.<sup>5</sup> This is set to replace EU funding that came from the structural funds in full and should be launched in early 2022.<sup>6</sup>

As part of the TCA, the UK decided to associate with Horizon Europe,<sup>7</sup> the EU's €95.5bn research and innovation research funding programme that succeeds Horizon 2020. Many civil society organisations will benefit from continued access, such as health and medical research charities.

In other areas, such as the Erasmus student exchange programme, the UK chose to forge its own path. The new Turing programme is designed to help up to 35,000 students to work and study abroad. However, unlike the Erasmus programme it does not offer placements for teaching, college staff and youth workers.<sup>8</sup> Of course, philanthropy is already active in cross-border exchanges. Nevertheless, this is an example of where the UK departure from the EU has created a gap or opportunity that could be filled by philanthropic actors. Examples of this could include expanding their existing work, helping to create new schemes, or bringing in new partners and unlocking additional resources.

Many parts of the various EU funding programmes came with peer exchanges, study visits, best practice networks and other forms of learning opportunities connecting participating organisations and individuals across the EU. Such programmes could even

include a global dimension. UK national funding programmes that will replace EU funding streams might include such elements. But equally there will be potentially new gaps where ties have to be re-established or strengthened through new cross-border collaboration, exchanges and ventures.

## 2. Maximising impact through cross-border collaboration

Historically, civil society has always played a role in building and maintaining bridges between the UK and Europe, and many such cross-border networks and platforms already exist. For example, Charities Aid Foundation is a proud partner in the Transnational Giving Europe network, which allows donors to give to good causes across Europe.<sup>9</sup> We still need to learn how Brexit might impact donors' ability to make tax-effective donations, in particular from EU Member States into the UK.<sup>10</sup> Nevertheless, practical solutions to move funds across borders safely and effectively are already in place.

This is just one example of how cooperation between civil society organisations, and, in particular, philanthropic foundations, bring citizens from different countries together to achieve social impact on the ground. Individuals can give across borders to support charitable organisations through online donating, but also through using crowdfunding platforms in some cases.<sup>11</sup> UK-based charities are operating in Europe or have European partners. European philanthropy and social investing networks are collaborating on building hubs that also identify opportunities on the demand and supply side for social investing.<sup>12</sup> Donors and

<sup>4</sup> Directory of Social Change (2017): What does Brexit mean for UK charities' European Union funding? Micro-Research Series. Online: <https://www.dsc.org.uk/wp-content/uploads/2017/11/here.pdf>

<sup>5</sup> House of Commons Library (2021): The UK Shared Prosperity Fund. Research Briefing. Online:

<https://commonslibrary.parliament.uk/research-briefings/cbp-8527/>

<sup>6</sup> Institute for Government (2021): The UK Shared Prosperity Fund. Strengthening the union or undermining devolution? Online:

<https://www.instituteforgovernment.org.uk/publications/shared-prosperity-fund>

<sup>7</sup> University College London (2022): EU-UK Deal. Implications for Research. Online: <https://www.ucl.ac.uk/brexit/support-ucl-community/eu-uk-deal-implications-research>

<sup>8</sup> BBC Reality Check (2021): Turing Scheme: What is the Erasmus replacement? <https://www.bbc.co.uk/news/education-47293927>

<sup>9</sup> Transnational Giving Europe (2021): About TGE. Online:

<https://www.transnationalgiving.eu/about>

<sup>10</sup> Ferrell-Schweppenstedde, Daniel (2021): What is on the agenda for charities and giving in the post-Brexit world? Charities Aid Foundation - Public Affairs Blog. Online: <https://www.cafonline.org/about-us/blog-home/public-affairs-blog/what-is-on-the-agenda-for-charities-and-giving-in-post-brexit-world>

<sup>11</sup> Charity-based or philanthropic crowdfunding is already established as a general type of crowdfunding, but it represents only a small share of the overall crowdfunding market in the EU. Chervyakov, Dmitry and Jörg Rocholl (2019): How to make crowdfunding work in Europe. Policy Contribution, Issue no6, March 2019. Online:

[https://www.bruegel.org/wp-content/uploads/2019/03/PC-06\\_2019\\_1.pdf](https://www.bruegel.org/wp-content/uploads/2019/03/PC-06_2019_1.pdf)

<sup>12</sup> Unitus Europe (2022): The European Philanthropy and Social Investing Impact Hub. Online: <https://unituseurope.org/about/>

philanthropic actors are already fuelling the social economy in Europe to transform lives. They are not only showing cross-border solidarity, but are also seeking innovative projects and opportunities to invest in future scalable solutions with real social and environmental impact.

### 3. Applying a European lens

But in particular, institutionalised philanthropy and individual philanthropists could probably take on a larger role when it comes to building bridges between the UK and the rest of Europe. For example, the European Cultural Foundation put out a statement on how foundations and cultural institutions working in Europe and the UK will strengthen their ties.<sup>13</sup> They are independent and can create their own programmes outside of or in collaboration with government.

There are a range of areas which could lend themselves to developing more work with a European lens. Some of these are more inward looking and targeted at how philanthropic organisations define themselves and their past, present and future links to Europe. But they could also work on bigger bridge-building exercises to form a broader vision on how to collaborate across borders and fill emerging gaps. Some examples are:

- **Creating new fora to explore European identities:** Large parts of the philanthropic sector have always focused their discussions on practices and approaches, or about its role in society, in a European and global context. This is also often reflected in the work they fund or how they operate. Introducing a European or global dimension might be more common in certain areas where cross-border exchanges are more ‘built in’ (like science or arts). But there might

be a new need to create additional spaces in which individuals and institutions can have exchanges about the UK’s geographic, economic and cultural ties to Europe, including shared identities and values.

- **Philanthropy with a European purpose:** The European Cultural Foundation has identified a lack of ‘philanthropy with a European purpose’. It defines the concept as follows: “Philanthropy with a European purpose means all forms of philanthropic giving that aim at protecting and strengthening the values, rights and principles associated with Europe across all European countries: human dignity, freedom, democracy, equality, the rule of law and respect for human rights. It is not a pro- or anti-lobbyist force for European political institutions. It collaborates with these supranational bodies as it also does with local and national government. It is no exclusive ‘club’ of civil society in the realm of Europe but is enacted by a diversity of actors and alliances.”<sup>14</sup> This wider discourse could provide an opportunity for UK-based philanthropic actors to explore how philanthropy could provide a platform to shape the UK’s wider relationship with Europe and what a new European identity outside institutional membership of the EU could look like. Central to this are discourses about shared values, rights and principles. But it could also involve the very practical steps of expanding existing work with a European dimension or adding a wider European lens to their funding portfolios.

<sup>13</sup> European Cultural Foundation (2022): Brexit and a cultural way forward, together. Online: <https://culturalfoundation.eu/stories/brexit-and-a-cultural-way-forward-together/>

<sup>14</sup> European Cultural Foundation & Wider Sense (2020): Imagine

Philanthropy for Europe. P. 16. Online: [https://culturalfoundation.eu/wp-content/uploads/2020/12/ECF\\_Imagine-Philanthropy-for-Europe\\_web.pdf](https://culturalfoundation.eu/wp-content/uploads/2020/12/ECF_Imagine-Philanthropy-for-Europe_web.pdf)

- **Large scale collaborations for filling emerging gaps:** This could take on different forms. On a minor level, it could mean investing more into staff exchanges. But funders could also include an ‘Erasmus’ approach to their programmes, by connecting UK grantees with European peers or other learning opportunities abroad. Then there are larger scale ideas, such as a ‘Philanthropy Erasmus’ that enables larger exchanges between the UK and Europe. It is important to note that there is a precedent for philanthropy being a partner in creating bridges between European countries - in the 1980s the European Cultural Foundation created a collaborative fund for the implementation of the first Erasmus programme together with the European Commission. Students and researchers might continue to have opportunities to take part in exchanges through new or existing programmes that will be continued (both public and private).<sup>15</sup> But ‘average citizens’ (however defined) or members of particular professions and trades might be able to benefit. It could not only increase the cultural ties between the UK and the rest of Europe but also translate into additional economic benefits.

#### 4. Conclusion

The UK is already a global centre for philanthropy. The top 300 foundations collectively hold net assets of £72bn (including the Wellcome Trust) and their grant-making reached almost £3.5bn in 2019/20.<sup>16</sup> Many already have a European dimension to their work. Some have even a presence in other European locations. For instance, the Wellcome Trust opened an office

in Berlin to grow its international partnerships in global health, science, innovation and culture.<sup>17</sup> It could be time to look for opportunities for the sector to apply a European lens to its work. The appetite across Europe for increased collaboration with the UK is already there.

*Daniel Ferrell-Schweppenstedde is a Policy Manager in Communications at the Charities Aid Foundation, London. He has previously worked as a Policy and Public Affairs Manager at the Directory of Social Change, an Analyst for RAND Europe and as a Junior Researcher for the Mercator Foundation and the German Society for International Cooperation (GIZ).*

E-Mail-Subscription & Download at:

[www.observatorium.maecenata.eu](http://www.observatorium.maecenata.eu)

<sup>15</sup> House of Lords Library (2021): Educational and cultural exchange programmes. In Focus. Online: <https://lordslibrary.parliament.uk/educational-and-cultural-exchange-programmes/>

<sup>16</sup> Association of Charitable Foundations (2021): Foundation Giving Trends 2021.

Online: [https://www.acf.org.uk/common/Uploaded%20files/Research%20and%20resources/Research/Foundation%20Giving%20Trends/ACF179%20Foundation%20Giving%20Trends%202021\\_Design\\_DigitalVersion\\_v3.pdf](https://www.acf.org.uk/common/Uploaded%20files/Research%20and%20resources/Research/Foundation%20Giving%20Trends/ACF179%20Foundation%20Giving%20Trends%202021_Design_DigitalVersion_v3.pdf)

<sup>17</sup> Wellcome Trust (2022): Wellcome German Office. Online: <https://wellcome.org/who-we-are/europe>