

# International Investment Center - Experience of NGO Internationalisation

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*Abstract: There is a lot in common between small companies and NGOs in the field of internationalisation. Many small businesses are dreaming about entering a world market, as well as a lot of NGOs would like to enlarge their territory of activities. There are many research articles about business and quite a few about possibilities for NGOs to find a way to the open world, especially in the countries of the former Soviet Union. Experience of a regional NGO from Russian province can be an example how to join UN and a global community.*

*Keywords: NGO, UN, internationalisation*

## 1 Why International NGO?

### 1.1 The definition

The phrase “non-governmental organization” came into use with the establishment of the United Nations in 1945 with provisions in Article 71 of Chapter 10 of the United Nations Charter [1] for a consultative role for organizations that neither are governments nor member states. The definition of international NGO (INGO) is first given in resolution 288 (X) of ECOSOC on February 27, 1950: it is defined as ‘any international organisation that is not founded by an international treaty’.

### 1.2 The background

During the Soviet period non-government organisations have been connected with large All-Union actions and actively supported by existed ideological machine. The Soviet years have essentially impaired an image of volunteerism and charity, having entered into practice so-called by people “voluntary-obligatory” actions:”subbotniks” (free work during Saturdays), gathering paper for recycling, scrap-metal collecting, territory cleaning, obligatory membership dues in All-

Russian Society for preserve of nature and Voluntary Society to Support Army and Fleet, etc.

However, can be mentioned interesting examples of non-government activities during the Soviet time: in 1960th years had started voluntary movement to help restorers under direction of Peter Baranovsky and later it continued to operate within the frames of All-Union Society for Protection of Monuments of History and Culture. In mass-media of that time were often published appeals to voluntary work, and during weekends volunteers went to work to preserve, for example, unique constructions of a museum in Tsaritsino, which is situated in Moscow.

Other interesting examples are voluntary teams on wildlife preservation, which were created from the beginning of 1970th years at Departments of Natural Science of various universities in the USSR. Members of these, as a matter of fact, the first noncommercial organizations in the Soviet Union, were engaged in struggle against poachers, illegal cuttings down of woods, forest fires, etc.

All activities of dissident movement during the previous political regime were held strictly underground, and volunteers often did a tremendous job, typewriting prohibited books of dissidents and distributing them among people.

Close relations between voluntary activity and the communist culture before the political turn and collapse of the Soviet Union in 1991 probably now are the biggest obstacles for people's engagement in non-profit organisations. Many people that were raised during socialist times transfer their experience with the forced volunteerism-like activities to the current situation and rather feel administrative pressure than individual desire to become active.

During the time of perestroika and move from socialism to capitalism, people everywhere had started private businesses as a response to the experience of government-owned economy and forced collectivization. Their main aim was oriented towards personal funds and wealth, leaving just a small space for social activities. Political engagement and volunteerism during elections campaigns were much more popular, but seen in many cases as an instrument to gain economic power instead of achieving a civil society.

Now, in the time of economic crisis, non-government activities are even stronger, due to economic situation, including political movements, especially communist and other "left" parties, as well as youth political organizations can become much stronger.

The problem was in weak connections between NGOs and lack of information about international community. Of course, such international NGOs, like Red Cross and Societies of Friendship, were present on the arena, but out of Moscow and St-Petersburg, their activities were not clearly seen. After the collapse of the "iron curtain" many international organisations tried to find the way to organisation and education of Russian NGOs, but still it were the in-country activities, and real international experience was still far from the desired.

### 1.3 The story

International Investment Center (IIC), a non-profit organization, founded in 1994, is business promotion, educational and research foundation, based in Russia with a representative office in Geneva, Switzerland.

The Center's goals are:

- securing the sustainable economic and democratic development of society based on mutually beneficial cooperation;
- assisting in the development of small and medium-sized business, including the promotion of international economic connections;
- assisting in the protection of human rights;
- assisting in the development of education;
- assisting the United Nations in fulfilling its programs.

In 1994-1997 IIC was a small regional NGO, and everything has changed when in 1998 it was granted a special consultative status with Economic and Social Council of the United Nations (ECOSOC).

At some point in their activities NGOs (as well as business enterprises) come to the understanding that they have a certain threshold in development and thus need to take some drastic steps to overcome it. Sometimes it is the logic of their own strategy, and sometimes external environment or business conditions change, such as change in legislation, and worsening conditions of NGO activities. The last two circumstances are more common in countries with so-called developing democracies.

Awareness of the need for change leads to the idea of expanding the territory and in many cases, fields of activities.

In the Russian Federation, according to the Ministry of Justice of the Russian Federation in 2010 were active more than 100,000 NGOs, among them about 200 international NGOs [2], and just 45 organizations in consultative status with ECOSOC UN. So the transition to the list of international organizations in consultative status with the UN is a significant step forward. Such a solution allows NGO to get ahead in the broad ranks of NGOs though demands a high volume of additional volunteer work as well as a high level of expertise in their field of activity.

The ECOSOC status pays back by including into the list of invitees to events on a higher level, both national and international that is not available for local NGOs.

At the same time the status leads to expanding opportunities for members of the organization, as well as an additional incentive to attract new members.

That is why IIC, as a regional organization, after 4 years of its existence, has decided to broaden its activities to the international level and at the same time apply for consultative status with ECOSOC, following particular procedures of the UN Committee for NGOs.

How it had happened? In 1996 ECOSOC has approved resolution 1996/31 [3], which governs relationships of NGOs with ECOSOC and non-profit public or voluntary organizations are eligible to obtain consultative status. Consultative status provides NGOs with access to not only ECOSOC, but also to its many subsidiary bodies, to the various human rights mechanisms of the United Nations, ad-hoc processes on small arms, as well as special events organized by the President of the General Assembly. There are three categories of status: General, special and roster consultative status.

While ECOSOC has the opportunity to avail itself of valuable and expert advice from NGOs, the NGOs in turn also have the opportunity to express their views and influence the work of the Council. NGOs have specialized competence, hands-on experience and flexibility that is of great value to the UN. For instance, by having consultative status, an NGO could:

- Provide expert analysis on issues directly from its experience in the field;
- Serve as an early warning agent;
- Help monitor and implement international agreements;
- Help rise public awareness of relevant issues;
- Pay a major role in advancing UN goals and objectives;
- Constitute with essential information at organization events.

On the other hand, ECOSOC provides NGOs the opportunity to be heard by a truly global audience and contribute to its agenda. An NGO with consultative status can:

- Attend international conferences and events;
- Make written and oral statements at these events;
- Organize side events;
- Enter United nations premises;
- Have opportunities to network and lobby. [4]

In addition, UN consultative status permits NGOs to form their own delegations (usually up to 10 members) to participate in UN conferences, where they can meet

directly with their government representatives, participating in these conferences and lobby for important issues, that at home is simply impossible for representatives of small or medium organization.

To apply for status, NGOs are sending requests to ECOSOC Committee on NGOs, which are reviewed on its regular sessions and later ECOSOC grants status according to Committee recommendations. Only 1/3 of requests are passing the procedure with the first attempt, others are requested submit additional information. The process requires submitting a lot of documentation, including NGO Charters and financial statement.

Among main requirements for obtaining consultative status are the following:

- Applying organization's activities must be relevant to the work of ECOSOC;
- The NGO must have been in existence (officially registered) for at least 2 years in order to apply;
- The NGO must have a democratic decision making mechanism;
- The major portion of the organization's funds should be derived from contributions from national affiliates, individual members, or other non-governmental components. [5]

So, after the all necessary requirements were fulfilled, the International Investment Center has started the way to internationalization and now can see that it was the way to success.

In 2004 IIC was granted a consultative status with the United Nations Industrial Development Organization (UNIDO) and in 2014 was granted an observer status with the United Nations Conference on Trade and Development (UNCTAD).

IIC collaborates with the United Nations Economic Commission for Europe (UNECE), its specialists are included in the UNECE Roster of Experts.

IIC, like the Chamber of Commerce, performs similar activities, but may be more responsive to the needs of its members and partners. At the same IIC devoid certain state support and remains independent that, in some cases, is more interesting for foreign partners for peer information.

Services include consultations on business development and non-profit activities, as well as implementing research, educational, advertising and promotion projects. IIC provides information services, organizes participation in international conferences and fairs.

Since 2010 IIC annually organizes International Conferences on International Cooperation at the UN Palace of Nations in Geneva, Switzerland, aimed on promotion of mutual understanding and cooperation with former Soviet Union countries.

Since 2013 IIC conducts conferences in CERN, devoted to development of innovations as a tool of social and economic changes.

Plans for the future include organization in Geneva a resource center for NGOs from the former Soviet Union countries, to help them take part in the UN activities and receive consultative status with ECOSOC and other UN bodies, that NGO voices from the CIS countries can be heard on international arena and to strengthen civil society as well as international cooperation for mutual benefit.

There is a lot in common between small companies and NGOs in the field of internationalisation. Many small businesses are dreaming about entering a world market, and one of the ways to achieve this dream is via the non-profit sector, which can help to broaden the horizons by providing global connections.

## **Conclusions**

Civil society organizations in Russia have important, but not yet significant influence on promotion of civic engagement in order to meet Millennium Development Goals and thus needs support from both government and population. They are poorly funded, more proclaimed than understood, but nevertheless develop and attract more and more people. In the time of economic crisis people turn to social activities from business, teams are tight together to combat threats and NGOs internationalization can be a solution to achieve better results and achieve synergy by using success practices and exchange unique experience with the help of UN mechanism as well as by organising direct connections between NGOs and other civil society actors, including small business.

## **References**

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