

# The Spanish Non profit Sector

## Introduction

Recent years have witnessed a tremendous surge of interest in the broad range of social institutions that operate outside the market and the state in Spain and elsewhere in Europe and the world. Known variously as “non profit”, “non-governmental”, “civil society”, “social economy” or “third sector” organisations, this set of institutions includes within it a sometimes bewildering array of entities —hospitals, universities, social clubs, professional organisations, day care centers, hobby clubs, environmental groups, family counselling agencies, sports clubs, job training centers, human rights organisations, and many more.

## Operative Definition

A whole set of terms, such as Third Sector, Organisations no lucrative, ONG's, Associations voluntaries, Civil Society....) that overlap each other without any of them perfectly comprehending any one else, try to define and to determine the nature, the scope and the social impact of a phenomenon complex in itself and likely in a full process of progress in our modern societies.

This situation of term (and concept) ambiguity is not specific o the Spanish society, but rather a common one to the whole world, cultural as well as academic related o his problem. This, however does not excuse, but, just the opposite, forces us, from the very beginning, to delimit and to determine as much as possible, the set of terms, as much as their scope and their specific frames of reference.

It is for this reason that we will try to mention those most often used terms, selecting among them, the five most well known from the vast nomenclature of terms

a) Sociedad Civil (Civil Society)

ONG (Non governmental Organizations)

ONGD (Non governmental Organizations for Development)

b) Economía social (Social Economy)

Cooperatives (cooperatives)

Mutualidades (Mutualities)

c) Sector no lucrativo (Non Profit Sector)

ESAL (Enterprises without Profit purpose))

ENL (Non Lucrative Entities )

d) A.V. ( Voluntary Associationism)

Fundaciones (Foundations)

Asociaciones (Associations)

Corporaciones (Corporations)

e) EIS (Entities of Social Interest )

Civil Society

The term Civil Society is one of relatively very recent use and not very diffused as yet when it is applied to the Third Sector. It can be taken under two meanings. By Civil Society, sensu lato, it is meant the whole array of social and political institutions of the State, and it includes, within it, the government machinery (when this is controlled by the mandate of a constitutional law) as well as all the social institutions where the citizen take part (either if these institutions work under a market economy or if they are associations based upon voluntary agreements established between autonomous entities and the public sphere around themes of social interest and are committed to public activities).

Civil society, taken sensu strictu, however, comprehends the whole set of social institutions - markets and voluntary associations - as well as the public sphere of the social life, but it excludes specifically those entities under direct control of the State. Civil society in this sense refers to any institution that does not belong directly to the State apparatus. It implies a basic distinction between the state (with its machinery) and the private (aside from it). It admits only, in principle, two kinds of institutions, state and non state, private and public. Within this context the concept of NGO has become popular and, as its own term indicates, clusters all those independent from the State control institutions and oriented towards the help and development of disadvantaged groups.

Social Economy

A closer term is that of "Social economy" which aims to embrace within its realm the whole set of institutions that pursue, under a unique function, economic as well as social goals, which foments and promotes citizen participation and which introduces, as a unnegotiable condition, the corresponsibility of all its members in the process of taking decisions.

Quite differently from the term civil society which emphasises the interaction relations between the Public Administration and the universe of citizen, the term social economy looks primarily at the system of economic relations within the historic conflict between the market economy of the capitalist system and the state economy of the marxist system. Within the frame of the antithesis of both of these systems, the social economy points out to a third alternative of an economic system which results in a whole set of institutions that cannot be identified with any of those promoted by the two other historic formulas.

The social economy distinguishes, as a logical consequence, the possibility of three types of institutions (three economic sectors), that represented by the public sector (State), the market economy (capitalist business) and the sector of social economy. The most emblematic institutions, within the social economy, are without any doubt, the cooperatives.

### Voluntary Associationism

A last term widely used to refer to this topic is that of Asociacionismo voluntario (Voluntary Associationism): This term alludes to those entities based upon the voluntary work of their members (voluntary action that should not be confused with philanthropy<sup>1</sup>. This terminology distinguishes not only three but four sectors:

- a) Groups based in friendly and family patterned relations or ad hoc groups of limited duration (often limited to a unique goal)
- b) Business enterprises
- c) Public Administration.
- d) Permanent voluntary associations<sup>2</sup>. These last groups form the main body of the Voluntary Associationism, the origin of which is the private initiative.

### Non lucrative Sector

The third most popularized term for this topic in the Spanish literature is that of "Sector no lucrative", which includes in general all the so called ESAL (Enterprises non profit) and those called ENL (Entities non profit). This denomination admits two basic sectors as basic ones (public and business) and it attaches a marginal character to the non profit sector within which are included all those institutions that do not belong to either one of the precedent two.

The non profit sector includes all those entities of voluntary condition that, born from the free citizen initiative and autonomously regulated try to reach an increase in the levels of quality of life through their intervention in the definition of social politics and a support for the solidarity processes. Basically it is understood as a social sector oriented to supply and to reorient the social deficiencies found in the public policies for promoting the general interest. More specifically the characteristic notes of the institutions that form the non profit sector would be. To sum up, the characteristic notes of the institutions that constitute the Non profit Sector would be:

- a) Absence of any kind of profit goal (Benefits are not distributed among the members or proprietors)
- b) Working out of the public sector. Their members are voluntary and belong to the civil society (they are not civil servants - functionaries -).
- c) Their main goal is to promote the increase of the social welfare and the citizen quality of life.

This sector, as a matter of fact, presents a vast series of modalities, such as<sup>3</sup>:

---

<sup>1</sup> CASADO, D. (1992): Organizaciones Voluntarias en España. De. Hacer, Barcelona.

<sup>2</sup> CASADO, D. (1997): Entidades Sociovoluntarias en Europa. De. Hacer. Barcelona.

<sup>3</sup> CABRA DE LUNA, M.A. Y LORENZO DE GARCIA, R. (1993): "La Constelación de las Entidades no lucrativas: El Tercer Sector", Cap. II., en Miguel Piñero y otros (1993) El Sector No Lucrativo en España. Escuela Libre Editorial, Madrid.

Foundations, Associations, Syndicates of workers, Political Parties, Saving Banks, Professional Associations, Labor unions, Support and service organizations, Cooperatives, Culture organizations, Religious Congregations and associations, Consumer organizations, sport organizations, housing association, ONGs and ONGDs.

The Spanish bibliography related with the non profit is very heterogeneous and ambiguous, and, for the time being, no definition is enough specific and clear cut, what implies that most of these definitions do not coincide with the classified institutions, what again makes quite difficult an exhaustive and complete catalogue o them. We prefer to speak about three main concepts of non lucrative Sector. The first of which includes all the entities satisfying the operative definition produced by the John Hopkins School and it is known as the "Third Sector's Definition".

Organizations, i.e., they have an institutional presence and structure;

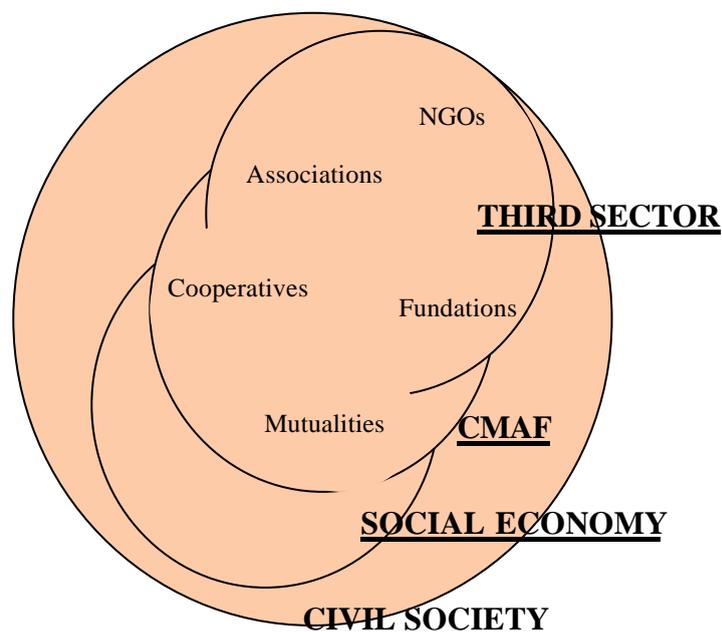
Private or non-governmental, i.e., they are institutionally separate from the state;

Not profit distributing, i.e., they do not return profits to their managers or to a set of "owners";

Self-governing, i.e., they are fundamentally in control of their own affairs;

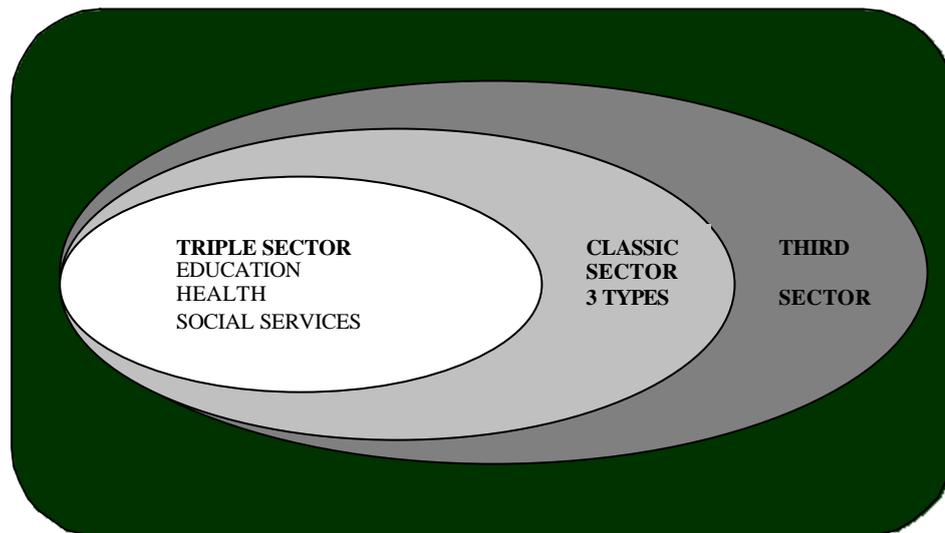
Voluntary, i.e., membership in them is not legally required and they attract some level of voluntary contribution of time or money.

**FIGURE 1**



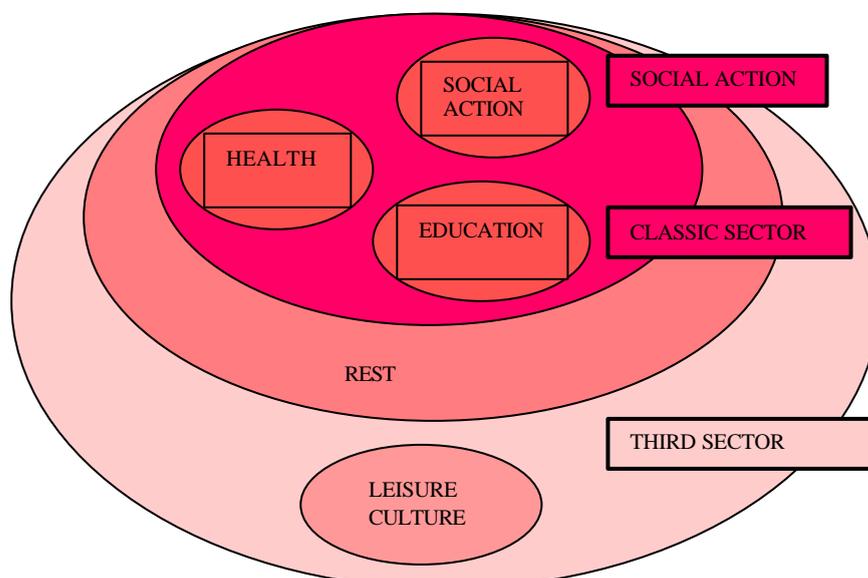
A second one would include just three traditional sectors of solidarity and altruism (health, education and Social Services). It would form the Non Profit Classical Sector.

**FIGURE 2**  
NON PROFIT CLASSICAL SECTOR



Finally a third one would include exclusively the set of solidarity entities of the social action, which would coincide, in general terms, with the sector of " Social Services" under terminology of Hopkins. It would include the set of non profit entities of Social Action and would constitute the Social Civic Non Profit Sector.

**FIGURE 3**



It is not easy, of course, to determine the strict limits of the conglomerate, but we can put forward some of the main dimensions common to all of these organisations. The third sector refers all of those organisations:

1. With juridical personality registered in any public registry
2. That operates without any profit aim (in the sense that this term is understood in the international definition proposed by Hopkins University)
3. Which are private, that is, institutionally autonomous from the public Administration
4. Whose principal aim is to reduce social differences and to avoid social exclusion and marginalization
5. Whose beneficiaries are social segments such as disabled people, refugees and inmigrants, ethnic minorities, prisoners and other groups under emergency situations or chronic diseases.
6. And carry out activities such as promotion of social voluntary work, information and juridical or professional consultancy, medical, psicosocial or sanitary assistance, residential or home attention

## **The National Scenario**

In relation to the second one, an attempt has been made in order to clarify and to document widely the historical scope of this phenomenon of which, only in part of its manifestations and more than in its content, in its structural formal dimension, could be understood like something “new”.

The long multiseccular way crossed by private charity, by philanthropy, by patronage and foundations, by cooperative movement and social mutualism, or the one led by fraternity, confraternities, unions, leagues, trades, communities, consortia and concords is so intense, so long and so wide, that only with an extreme superficialness it could be interpreted as a new social phenomenon in Spain

Historical path: Going back to the transitional society of the Roman world to the visigothic, the institutionalization of the " traditio corporis et animae ", can be understood as the first outline of the not lucrative phenomenon. It was first implanted at the Hospital “Obispo Masona” in Mérida (6<sup>th</sup> century) and afterwards established massively in the Benedictine monasteries and would be the beginning of the network of hospitals and lodgings for pilgrims or urban patients; later on, the orders of redemption of captive (Trinitarios, Mercedarios), mendicant orders (Franciscan, Dominicans, Carmelite...), and monastic, urban, and cathedral schools appeared and then, universities.

Giving certainty to the historical path until the last fifty years, we can see that that economic prosperity, the decrease of inflation, the growth of the standard of living of working class, the highest levels of juvenile formation, the entry of women in the labour life, the new family model, new worries of the Civil Society, etc... were opening up in the last years of the Franco's regime preparing the democratic transition and the incorporation to Europe. The decentralisation and the growth of the Autonomous Communities have forced the State to give up its role of a Providence State delegating much more functions to the autonomic and municipal institutions, and, simultaneously, opening the possibility of the reappearance to associations, corporations and foundations.

The introduction of the government role and, specifically, the role of the Providence State has a close relation with the expansion / reduction of the presence of associations and foundations in Spain. However, it has not been the flow / re-flow of the most recent development of the Welfare State the only cause of the phases of contraction and explosion of the non profit voluntary association movement. We must recognize that cultural evolution that Spanish society experienced in the 60's, which at the same time meant an economical and political evolution, contributed determinately to this explosion of this movement.

### **The Spanish Model**

It raises us the question of if the Spanish association movement in itself has certain characteristics that, besides identify the model, help to distinguish it from the other historical models of other societies. Among the key elements for a correct interpretation of the Spanish contemporary non profit sector, we can highlight the following as the basic ones:

If from an hypothesis of conflict between Market-State, on one hand, and non profit sector, on the other one, we move to an hypothesis of collaboration, or, at least, of interdependence between them, we will get closer to the Spanish reality. This sector tries in Spain, with both major frequency and intensity, to get nearer to the State in search of financial support which are no available in another way. At the same time, non profit organisations, in their attempt of modernisation and of being socially competitive in front of mercantile institutions, are progressively professionalizing their management methods, and all this implies an increase of the costs due to hiring of executives and in the adoption of advertising and marketing techniques, which are characteristic of the mercantile sector.

This professionalization has lead to impose an evolution of the non profit sector to a financial dependence of the State and to a progressive mercantile structure in the management. At the same time, the Welfare State itself has been exposed under a process of ideological criticism an social loose of legitimacy that has force it to look for support and collaboration at the voluntary non profit agencies of this sector. Similar to the Italian, in the Spanish case there is a hidden contract between the State and the Voluntary Sector.

The Spanish model would be characterised as a non profit sector model conditioned and determined by four partial facts or dimensions: the traditional importance of the Spanish Catholic, the concomitant process of cultural and social secularisation, the conditioning of the Spanish economy to the ideological principles of Social Economy, the process of return to Civil Society.

Among the various alternatives to which the partial confluence of these four aspects can lead to, the one which correspond to the Spanish current model, would be characterised by the concrete prominence of each of the five dimensions which influence it. The non profit sector in Spain is a model which is highly:

<p>Influenced by a very significant <i>historical tradition</i> (presence and collective memory) Submitted under a process of structural corporation movement that affects the sector very specifically Conditioned by an ideological debate in favour of Social Economy, Predetermined by a not possible to overcome process of socio-cultural secularization, which is quite far from being definitive yet, Influenced by a socio-political flow of return to Civil Society in order to take part into the public management.</p>
---

## Legal Frame

The basic and fundamental norm of the Spanish juridical body is the 1978 Constitution. There we find several articles which referred to the topic of associationism. So the 22nd art. recognizes and protects the right of association without any other limits but the penal one and the prohibition of secret associations and those of military condition. The 34 art. recognizes the right of foundations with aims of general interest. They are articles characteristic of any democratic rule which admits the civic and political freedoms and rights established by the actual international standards

Leaving for a later moment the singularities of some organizations which do not belong to the strictu sensu concept of third sector, we will mention now the presence of those constitutional articles which(6,7,28 and 36 arts.) recognize and promote Political Parties, Trade Unions and Professional Colleges. The 191/1964, Law of Associations is still operating in those aspect not derogated by the new Constitution. It is a preconstitutional law, proper of a dictatorial State. The then allowed freedom of association was only to promote licit (that is to say, those not opposite to the fundamental Principles of the Movement) and determined (without any doubt about which activities were supposed to engage in) goals. This law though excluded from its limits the societies regulated by the Canon Law, by the Civil Code, or those under the control of the Movement. Lastly, the 30/1994, Law of Foundations and fiscal incentives to the private participation in activities of general interest, updates all the legislation related to the foundations taken as " organizations

without profit intention which, by the will of their creators, have attached on stable terms, their patrimony to the realization of goals of general interest”

Other laws as regulations regulate those aspects which more or less directly belong to the Right of Associations, but those already mentioned are the fundamental ones.

The 30/1994 Law of foundations determines that, for a valid institutionalisation of a foundation, it is needed a public document (or testament in the case of mortis cause) in which are included the statutes and the material funds. The document should be registered in the Register of foundations. The 3rd article of the law of 191/1964, again, includes the constituent of any association: “...act in which appear the purpose of several persons ... “ According to the practiced doctrine two persons are enough to accomplish the exigency of several persons”.

To get the fiscal benefits that are fixed in the 30/1994 law, the foundations have to be registered in the Register and the associations have to obtain from the executive the declaration of Public Utility. The 41 to 45 arts. mention a further set of requirements for both types of associations. The Royal Decree 1786 of July, 19, **1996**, determines the procedures relative to the imposed declaration of Public Utility of the associations.

1. The Associations have to be registered in the National Register.
2. They have to present the application with several social data and a detailed memory of activities corresponding to, at least, two.
3. The application will be directed to the Ministry of Interior.

There is a set of legal restrictions which concretizes and specifies still more the juridical existence of a non profit association. The 1964, for instance, declared as legal all those association the goals of which were contrary to the Fundamental Principles of the Movement. These limitations have abolished by the new Constitution (1978) which relates (art. 22.2.) illegality with crime. The art. 2.4 outlaws the secret and the paramilitary associations. According to the 30/1994 Law those Association aiming at the declaration of public utility and their following fiscal benefits face some further limitations:

- |  |
|--|
| <ol style="list-style-type: none"><li>a) Their social goal cannot pretend goals not being of general interest</li><li>b) Their activities cannot be restricted to benefit exclusively their members</li><li>c) There will not be any profit intentionality and the surpluses will not be distributed among the members</li><li>d) The association officers will not be repay</li><li>e) Their main activity cannot be a commercial one although they can form part of commercial firms</li></ol> |
|--|

f) The law will not consider a non profit organisation that in which the members and founders, their partners and their relatives until the fourth degree be the main consignees of their activities

In contrast with the restrictions the law specifies the legal benefits The 30/1994 law describes different kinds of fiscal benefits, either directly for the non profit associations as for the physical and juridical persons which support them

1. Society tax: the results obtained through the activities proper to the society are of taxation
2. Local taxes: The activities that constitute the social aim of the foundation are tax exempt.
3. Donations: These are partly exempt.
4. Special facilities are provided for the enterprises to facilitate their contributions to activities of general interest.

Special consideration deserve the religious congregations and churches and more singularly, because of its social relevance, the catholic church. The relations between the catholic church and the Spanish State were governed by the Concordat with the Holy See. The 1994 law of donations actualizes this situation proclaiming the separation between church and State. The Organic Law of religious freedom of 1989 recognizes the juridical personality of churches, confessions and communities once their are registered in the Register of the Ministry of Interior.

### Size and Structure

Despite the growing importance of this set of institutions, however, little is known about them in solid empirical terms, both in Europe and elsewhere in the world. As a consequence, it has been difficult to attract serious attention to them, to gauge their capabilities to shoulder the new responsibilities being put on them, or to determine what might be needed to improve their operations and role.

### Number of Entities

TYPE	NUMBER
- Associations	174.916
- Foundations	5.698
- Cooperatives	7.822
- Mutualities of Social Prevision	400
- Teaching Centres	6.392
- Clubs of Sport	58.085

- Saving Banks	50
- Health Centres	144
Total	253.507

(International Classification of Non profit Organisations)

NUMBER	SECTOR ICNPO
147.553	1. Culture
35.006	2. Education and Research
2.750	3. Health
7.922	4. Social Services
5.518	5. Environment
27.424	6. Development
15.779	7. Civil & Advocacy
90	8. Philanthropy
530	9. International
10.535	10. Religious Congregations
400	11. Business and Professional, Unions
253.507	Total

## Income

The total expenditure of the non profit sector in Spain can be approximately calculated in 4.095.235 million pesetas. The question is spontaneous. Where do the resources that the sector needs to pay those enormous expenses come from? The distribution of the sources are basically three:

- The funds that it receives from the public sector,
- The donations that receives from the private sector
- The quotes and incomes from sales and provision of services

	<i>Incomes</i>
Public Sources	25,2
Private Donations	36,3
Quotes and services	38,5
TOTAL	100

**Five major dimensions** emerge from this work on the scope, structure, financing, and role of the non profit sector in Spain:

## **1. A Growing Economic Force.**

In the first place, aside from its social and political importance, the non profit sector turns out to be a growing economic force in Spain, accounting for significant shares of national expenditures and employment. More specifically:

A 4,095,236 millions of pts. industry. Even excluding its religion component, the non profit sector in Spain had operating expenditures, with the imputation of the voluntary work, of 3.7 trillions of pts., or 5.2 percent of the Spain's gross domestic product (2.8 trillions of pts. or 4.0 percent of the Spain's gross domestic product without it), a quite significant amount.<sup>4</sup>

A major employer. Behind these expenditures lies an important workforce that includes the equivalent of 475,179 full-time equivalent paid workers. This represents 4.5 percent of all non-agricultural workers in the Spain, 6.8 percent of service employment, and the equivalent of nearly one-quarter (22.9 percent) as many people as work for government at all levels, National, Autonomic and Municipal (see Table 3).

More employees than in the largest private firm. Put somewhat differently, non profit employment in Spain easily outdistances the employment in the largest private business in the Spain, and does so by a factor of 6.9 Thus, compared to the 475,179 paid workers in Spain's non profit organizations, Spain's largest private corporation, Telefónica employs only 68,380 workers (see Figure 1).

Outdistances numerous industries. Indeed, more people work in the non profit sector in Spain than in many entire industries (food, beverages and tobacco, textile, chemical industries, metallurgic, ground transport...) in the country. Thus, as shown in Figure 2, non profit employment in Spain outdistances employment in the Spain's industries.

Volunteer inputs. Even this does not capture the full scope of the non profit sector in Spain, for this sector also attracts a considerable amount of volunteer effort. Indeed, an estimated 9,8 percent of the adult Spain population reports contributing their time to non profit organisations. This translates into another 253.179 full-time-equivalent employees, which boosts the total number of full-time equivalent employees of non profit organisations in Spain to 728.778, or 6.8 percent of total non agricultural employment in the Spain (see Figure 3).

## **2. An average-size Non profit Sector in Europe.**

Not only is the Spain non profit sector large in relation to the Spain economy, but also it is slightly below relative to some of its counterparts elsewhere in Europe, though it still falls behind the level in Western European countries.

Slightly below the international average. As Figure 4 shows, the relative size of the non profit sector varies greatly among countries, from a high of 12.5 percent of total non agricultural employment in the Netherlands to a low of less

than 1 percent of total employment in Mexico. The overall 22-country average, however, was close to 5 percent. This means that Spain, at 4.52 percent, falls somewhat the global average. However, it still exceeds Japan and Finland and comes close to some of the Western European countries, such as France (4.9 percent), Germany (4.5 percent) and Austria (4.5 percent).

Considerably below the Europe's average. While it is even with the 22-country average, however, non profit employment as a share of total employment is still [considerably lower in Spain than it is elsewhere in Western Europe's countries. Thus, as shown in Figure 5, full-time equivalent employment in non profit organisations in Spain, at 4.52 percent of total employment, is proportionally 35.4 percent less than the European Union's average of 6.89 percent. The Spanish non profit entities are of a rather small size except a few selected ones. This likely explains why being the number of organisations is a sizable one (253,000), the employment generated by them is rather limited

Margin widens with volunteers. This margin widens, moreover, when we add volunteers. Thus, with volunteer time included, non profit organisations account for 6.8 percent of total employment in Spain, which is .67 times as much as the European Union's average of 10.13 percent (see Figure 5).

### **3. A Troubled History of Non profit Activity.**

That the non profit sector is relatively small in Spain is very likely a product of the troubled history that such institutions have had in this Country. This history includes:

The secularization process of the Spanish Society, the fight between the State and the Catholic Clergy for the social hegemony, the several Disamortization Laws along the nineteenth century, the last Franco's Dictatorship, and the low level of Corporatization of the Spanish Society, that help to explain the numerical results. The increasing importance of the State, and in particular the Welfare State, was closely linked to the expansion/reduction in the number of Associations and Foundations in Spain. However, the ebb and flow of the development of the Welfare State in recent years was not the only reason for the early cutback and subsequent boom in voluntary, non-profit associative activity.

Mention should be made of cultural evolution, although the effects of 60s economics and policies upon Spanish society made a definitive contribution to this associative explosion. At precisely this time, awareness of the role that certain private social entities can play in channeling social and political participation and change, was awakened. The comparative liberalization and weakening of Franco's regime enabled non-official social forces to assume a higher profile, and gave rise to a nascent public consideration of them. In the wake of such a moral change, the expression "social initiative" was coined to refer to action sparked by collective will outside the public and commercial spheres, without using the term. The denomination has only been used comparatively recently.

#### **4. Social Services Dominance.**

Similar to other Europe's countries, but unlike the all-country average, Social Service clearly dominates the non profit scene in Spain. Over 33.9 percent of non profit employment in Social Services. Of all the types of non profit activity, the one that accounts for the largest share of non profit employment in Spain is in Social Services. As shown in Figure 6, 33.9 percent of all non profit employment in Spain is in the Social Services field. This is different from the Europe's average of 26 percent, and it greatly exceeds the 22-country average of 18 percent. This situation very likely reflects social momentum of the three top non profit organizations, ONCE, Red Cross and Caritas. ONCE for instance has 376,843 millions pts. of operating costs and near 40,000 paid employees.

#### **5. Most Revenue from Fees and Charges for Services Not Public Sector.**

Consistent with the historic distrust on the part of the Spanish State Administration the Spain non profit sector receives the bulk of its revenue not from private philanthropy but from Public and simultaneously due to the secularisation process and the diminishing influence of the Catholic Church in the Spanish society, in particular from Sector Fees and charges for Services.

Fees and charges for Services income dominant. The overwhelmingly dominant source of income of non profit organisations in Spain is Fees and charges for Services. As reflected in Figure 8, this source alone accounts for 1,576,574 millions pts. or 49 percent, of all non profit revenue in Spain.

Limited support from philanthropy and Public Sector. By contrast, private philanthropy and Public Sector provide much smaller shares of total revenues. Thus, as Figure 8 shows, private philanthropy—from individuals, corporations, and foundations combined— accounts for only 18.8 percent of non profit income in Spain, while Public Sector account for 32.1 percent.

Revenue structure with volunteers. This pattern of non profit revenue changes significantly when volunteers are factored into the picture. In fact, as shown in Figure 9, private philanthropy [increases substantially from 18.8 percent to 36.3 percent, thereby Public Sector contribution decreases from 32.1 percent to 25.2 percent

#### **Future Trends**

The non profit sector thus emerges as both a sizable and a rather complex set of institutions in Spain society. Not only does this set of institutions serve important human needs, it also constitutes a major and growing economic force and a significant contributor to political as well as social life. At the same time, although volume of employment provided by this sector is quite similar to

that of some European countries (like France, Germany, Finland, Austria), the structural pattern of non profit finance evident in Spain is different from that elsewhere in Europe. The non profit organizations in Europe's countries (Ireland, Belgium, Germany, Netherlands, France, Austria, United Kingdom, Czech Republic) derive the overwhelming majority of their revenues from Public Sector (59.6 percent), but figure goes down to 49 percent in Spain. The Fees and Charges shares of non profit revenue in stead are stronger in Spain than elsewhere in Europe (49 percent vs. 33.1 percent on average).

Under these circumstances, no single set of implications will apply equally in Spain as in the rest of the countries of Europe. It may be appropriate to outline the implications that, for the Spanish case, seem to flow from the discussion here.

A heightened demand for social services of all kinds and a generally reduced role for governments, among other factors, increased the importance of the non profit sector. At the same time, however, this growth has not been without its challenges, though the challenges have been as much to the heart of the sector as to its stomach. Never accustomed to significant levels of public support, and enticed by the promise of greater fee income, non profit agencies in Spain are in heightened danger of losing touch with their citizen base. On the one hand, some of these organizations have been transformed into large bureaucracies seemingly indistinguishable from the government bureaus with which they interact; on the other hand, they face a growing danger of becoming evermore like the business firms with which they frequently compete. Negotiating the dual dangers of over-bureaucratization and over-commercialization becomes thus the true challenge for non profit managers and policymakers in these areas.

Accountability and effectiveness. In order to ensure their claims on citizen loyalties, non profits need to be able to demonstrate the worth of what they do, and to operate both efficiently and effectively in the public interest. This will require something more than traditional management training or the wholesale adoption of management techniques imported from the business or government sector. Important progress has been made along these lines but significant steps remain to be made in building up the training capability in numerous types of non profit organizations.

Expanding philanthropy. Important as the development of organizational and leadership capacities are for the future of the non profit sector, the expansion of private philanthropy continues to be vital to ensure a meaningful level of independence from both government and business. However, this will require public education efforts on behalf of the sector's leadership, and creative models for combining paid and unpaid work, particularly in countries with high levels of unemployment.

International integration and globalization. For Spain as for other European countries greater efforts toward integration and harmonization are under way that will certainly increase the role transnational governments play in non profit sector affairs. Yet institutions like the European Union have been

hesitant in their approach towards the non profit sector and civil society. Yet much more remains to be done to make sure that that this set of institutions can develop its full potential. At the same time, tough, it is rather surprising the distrust with which the Spanish administration treats this complex set of non profit institutions that represent so much for the Spanish Economy. Such an attitude shown by the public authorities do not seem to fit with the present social situation either in Spain or in other countries

No less surprising is the great similarity of the Spanish parameters with those of other European countries what makes rather easy the future determination of similar strategies of management of these entities as a whole. This implies, of course a redefinition of the institutional and academic, corporate image of the third sector The social impact of this sector upon the Spanish society is so relevant that one can affirm that it works as the long arm of the socio-economic politics of the Spanish government, some times collaborating with it some other supplying it. It is generally admitted the pioneering role of these entities no less than their flexibility and their operating capacity as well as to the reinforcement of the democratic structures for the Spanish Society.

Escuela de Trabajo Social  
Dpto. de Pedagogía

**Universidad de Deusto**  
Bilbao

Escuela de Educación Social  
Fundación Pere Tarrés

**Universidad Ramon Llull**  
Barcelona

April 2002