Solidaridad

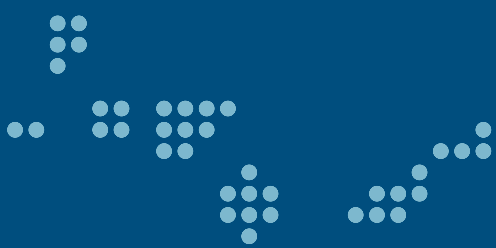
2012

Yearbook of Third Sector Action in Spain

Executive Summary

Fundación Luis Vives

CAJA MADRID
OBRA SOCIAL



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Índice

Introduction

In 2010, the *Fundación Luis Vives*, in collaboration with Caja Madrid's *Obra Social*, published the first edition of the Yearbook of Third Sector Social Action in Spain. That marked the beginning of a task with a periodical vocation, providing longitudinal insight on the common sector shared by not-for-profit social action organizations in Spain.

The report presented here is a summary of the results of the second yearbook survey on Third Sector Social Action in Spain for 2012. This year, as in 2010, the data comes from a representative survey of Third Sector Social Action organizations in Spain. The survey for the first Yearbook was conducted in 2008. For this second edition, it was conducted in 2010.

The main purpose of this document structured into eight chapters is to present a sweeping overview of the principal characteristics of the entities comprising the sector, but as well –two years from the first edition of the Yearbook– the variations that may have occurred since then. As we shall see, the current economic climate requires Third Sector Social Action entities to face a new reality that may well entail changes of structural character.

1 The Importance of Third Sector Social Action and the Current Economic Climate

Judged by the number of organizations comprising it, Third Sector Social Action is a significant sector. In 2010, the number of active organizations was estimated at around 29,000[1]. Civic initiative promotes a sizable proportion of sector organizati– likewise gives an indication of the importance of Third Sector Social Action entities in Spain.

Estimated number of direct interventions conducted on individuals by first-category Third Sector Social Action entities for 2007, 2008, 2009 and 2010.

Year	Estimated No.	Average Variation	Relative Increase
2007	36,837,541		
2008	42,175,142	5,337,601	14.5
2009	43,786,522	1,611,380	3.8
2010	47,667,904	3,881,382	8.9

The Third Sector represents a fundamental pillar of the organizational system and operation of societies. It complements the Welfare State and, in some cases, compensates for its deficiencies and shortages. More than half the entities (54.9%) engage in activities of direct intervention, close to four out of every ten (38.6%) in the field of social action, 23.2% in social integration and insertion, and 22.1% in social healthcare.

Third Sector Social Action likewise occupies a significant place in the country's macroeconomic figures. In 2010, the sector generated an estimated expenditure of 17,021.2 million euro, representing 1.62% of the total Spanish Gross Domestic Product for that year (1.88%, if special cases Caritas[2], Red Cross and ONCE are taken into account).

The sector entities also contribute to the creation of jobs. For 2010, it was estimated that the sector had 635,961 hired employees, 3.5% of the national labour market (*EPA* Workforce Survey, 4th Quarter 2010). The structure of Third Sector Social Action entities is greater than that of the business sector. 42.5% of Third Sector Social Action entities have less than 10 employees. 90% of all the companies in the country do not exceed this figure either. Along with its paid staff, the sector harnesses the preoccupations of civil society by assimilating a significant number of volunteers, somewhat over a million in 2010.

The impact of the current economic climate is perceptible in the opinions of the sector entities themselves. The percentage of entities anticipating difficulties in meeting their targets for the next few years has increased considerably from 50.9% in 2008 to 77.5% in 2010. A fifth part of the entities are considering that they must confront some kind of transformation, and 2.9% believe that they will disappear by 2013. "In the midst of internal debate regarding organizational aspects, in the midst of adaptation to the expanding market of

1 The word "around" denotes a statistical estimate with an error margin of +2.1%. The specific estimate for 2008 was 28,790, while for 2010 it was 29,746.

2 The Yearbook establishes the following categories of entity:
- First-tier organizations (associations, foundations or other entities) are grassroots organizations that do not group other organizations together.
- Second-tier organizations (federations, etc.) group grassroots (i.e., first-tier) entities together.
- Third-tier organizations (confederations, etc.) group second-tier entities, like federations, together.
- Special organizations (Spanish Caritas, the Red Cross and the ONCE) are highly specific organizations with organizational, funding and operative peculiarities.

social service delivery, the crisis acts as one more factor of disruption globally affecting the entire sector, showing up the weaknesses and shortcomings of a part of the sector that thus perceives the increased risks and difficulties of facing new future challenges"[3].

3 Los retos del Tercer Sector ante la crisis, 4th Third Sector Forum. Cuadernos de debate 6, Oriol Homs i Ferret, Fundación Luis Vives, 2009.

This situation requires challenges that the sector organizations proper prioritize in the urgent search for diverse new funding sources. Economic resources that will allow them, on the one hand, to assume the important role that they are called upon to play, none other than that of upholding themselves as intermediaries to facilitate civic expression to public administration entities, other social agents, and society as a whole. On the other hand, they are obliged to find sufficient funding sources for care and support services, the demand for which will tend to increase in situations of economic difficulty such as the current state of affairs.

The Importance of Third Sector Social Action and the Current Economic Climate

- The number of active organizations in 2010 is estimated at around 29,000.
- In 2010, there would have been 47.6 million direct interventions on individuals, 29.4% more than in 2007.
- Third Sector Social Action organizations primarily work in the fields of social action (38.6%), social integration and insertion (23.2%) and social healthcare (22.1%).
- 635,961 paid third sector social action employees were working in the entire Third Sector in 2010. Of these, 41,548 were working in the special entities. That year, there were 2,217 workers less in the special entities than in 2008.
- Up to 23.9% of the total number of entities surveyed consider that they will disappear in the year to come.

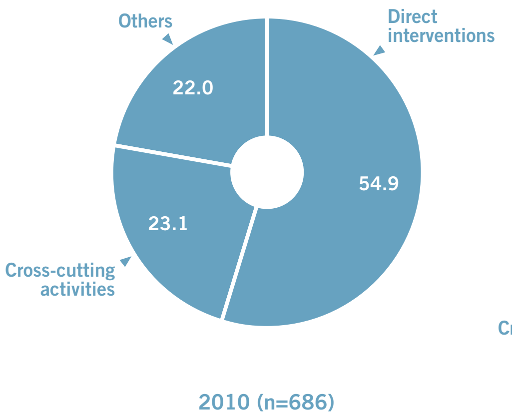
2 Institutional Characterization of Third Sector Social Action

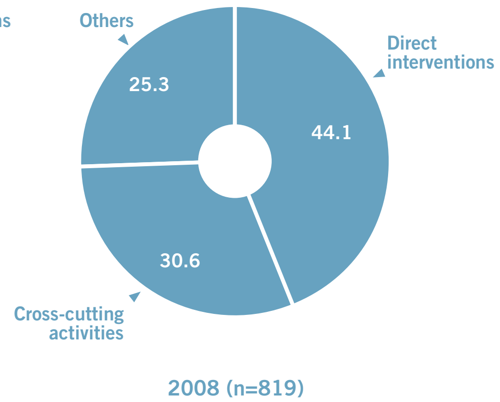
Third Sector Social Action is still characterized by a large base of small entities, some of them not altogether consolidated. However, the number of unifying organizations that facilitate the pooling of shared interests between different sector entities is slowly growing.

Two years after the first edition of the yearbook, the basic traits defining the entities of the sector have not been found to vary considerably.

- The principal driving force of the sector continues to be the citizens themselves. They depart from their own initiatives to mobilise a high proportion of the entities (56.6% of the total number).
- The large majority of the sector (92.3%) is composed of first-category entities, particularly associations (67.1%), and, to a lesser extent, foundations (13%).
- The activities of Third Sector Social Action entities target four groups of persons: primarily individuals with disabilities and, to a lesser extent, minors, seniors and the population in general.
- The organizations in the sector avail of a single head office (70.3%) and are generally present in a single geographic setting.
- Half the organizations in the sector conduct their activity in a provincial, regional or local setting.
- The sector is relatively young. The average age of its entities is 23.8 years. One-fifth of them emerged starting in the year 2000.

Percentage distribution of the activities conducted by Third Sector Social Action entities for 2010 and 2008





Amongst Third Sector Social Action entities, there is a clear predisposition (80.2%) to associate with other organizations. This is one of their natural ways of participating through interrelationships with other entities, which, moreover, facilitates the reinforcement of the Spanish Social Action sector proper. Maintaining contact with related entities is the principal motive given by the entities for associating, in addition to the exchange of experiences and the possibility of conducting joint communication campaigns.

Characteristics of Third Sector Social Action Entities in Spain

- The basic characteristics defining Third Sector Social Action entities have remained stable since 2008.
- The large majority of sector entities are grassroots organizations in direct contact with their beneficiaries – three out of ten are formed as associations, except for category 2 and 3 organizations, which by nature are federations or confederations.
- Seven out of every ten entities have a single head office.
- They largely conduct their activities in local or provincial settings.
- The average age of the entities in the sector is 23.8 years.
- The entities associated with other organizations account for 80.2%.
- More than half (54.9%) conduct activities of direct intervention, ten percentage points more than in 2008.
- In 2010, the entities conducted a total of 47.6 million direct interventions on individuals, a relative increase of 29.4% in comparison with 2007.

3 The People behind Third Sector Social Action

People are a fundamental pillar for the proper operation and development of programs and projects in the sphere of Third Sector Social Action.

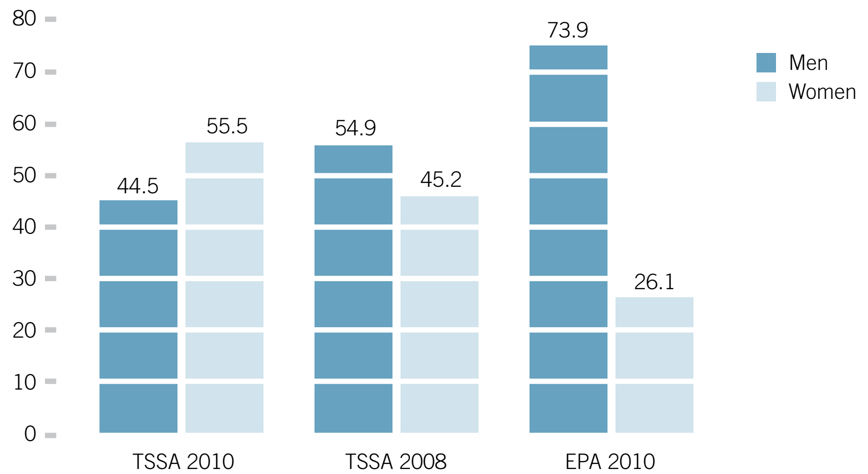
Organs of Governance

The composition of governance organs amongst Third Sector Social Action entities is smaller in comparison with that of other economic sectors (except for association assemblies). In 2010, Boards on average consisted of 9.2 persons (9 in 2008) and Management Teams consisted of 4.4 persons (6 in 2008). Association assemblies in Spanish Third Sector Social Action entities are composed of an average of 318 members (360 in 2008).

The composition of Third Sector Social Action entity organs of governance by gender varies considerably in relation to the first edition of the Yearbook. If, in that first edition, governance organs were composed of a majority of men, in 2010, women acquire a special prominence, coming to represent 55.5% of the total number, not counting the special entities.

The large majority (93.7%) of the persons comprising these governance organs do not receive compensation for their work (95.1% in 2008).

Percentage distribution of persons comprising Governance Organs in Third Sector Social Action organizations by gender in 2010 and 2008 (special organizations are not included), and the active (management) workforce in Spain (*)



(*) National Institute of Statistics, Workforce Survey (EPA), 4th Quarter 2010. Only employees in the category of Directors and Managers are included.

Workers under Labour Contract

2008 to 2010 saw an increase of 106,932 in the number of people under contract in Third Sector Social Action entities. In 2010, Third Sector Social Action entities were giving paid employment to 635,961 persons in Spain (41,548 of these in special organizations). 42.5% of the entities have less than 10 employees on the workforce.

Estimated number of workers under labour contracts for 2010 and 2008

	2010		2008	
	TSSA Total	W/o special orgs.	TSSA Total	W/o special orgs.
Estimate of workers under labour contract	635,961	594,413	529,029	485,264
% of the national labour market (*)	3.5	3.2	2.7	2.4
Base (n)	716	713	819	816

(*) Based on Labour Force Survey 4th Quarter data in 2010 and 2008.

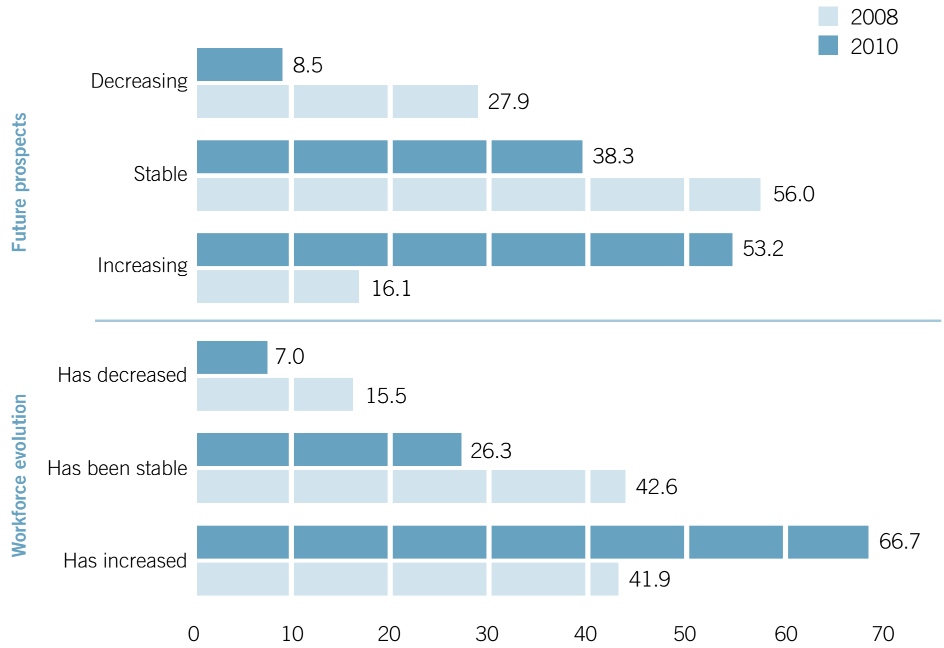
The TSSA worker profile is characterized by a majority of women (74.2%), youth (46.5% are younger than 34), and a high level of education (close to two-thirds with university studies). These figures do not vary in comparison with those of the 2008 survey.

60.4% of the persons employed in TSSA entities have permanent contracts, six percentage points more than in 2008. Although the percentage of contracts for jobs or services and temporary work went down in 2010, this is a situation in which 26.3% of the workers remain in the first case, and 9.8% in the second.

Third Sector Social Action continues to support the integration and insertion of the disabled. More than three out of every ten entities in the sector (34.7%) have at least one disabled person under contract (33.7% in 2008).

As regards the evolution of personnel under contract, the entities saw less growth in 2010. If in 2008 two-thirds of the entities stated that their workforce had increased, in 2010, the said proportion went down by 41.9%. Moreover, in 2010, a greater percentage of entities consider that the number of employees will decrease in the future, as compared with 2008 (27.9%, as against 8.5% in 2008).

Percentage distribution of TSSA entities according to opinion on the evolution of the number of employees during the last two years and growth prospects for the next two years, for 2010 and 2008 (*)



(*) In 2008, questions covered three-year periods.

Volunteers

81.8% of the total number of Third Sector Social Action entities is supported by volunteers (83.5% in 2008). This percentage implies that, in 2010, there were somewhat more than a million people collaborating altruistically with Third Sector Social Action entities in Spain.

From 2008 to 2010, the number of volunteers has increased by 202,243 (164,318 without the special entities). The tendency towards a growth in terms of volunteers continues in 2010, since two out of every five entities surveyed confirm an increase in the number of volunteers over the last two years. 47% observed that the rate remained constant and only one in ten observed a decrease.

Without accounting for the special organizations, volunteers represent 53.2% of the total number of people working in the sector, whether paid or unpaid.

Estimated number of TSSA volunteers for 2010 and 2008

	2010		2008	
	TSSA Total	W/o special orgs.	TSSA Total	W/o special orgs.
Estimated Volunteers	1,075,414	800,727	873,171	636,409
Base (n)	593	590	674	671

As the first edition of the Yearbook already pointed out, the TSSA volunteer sector is characterized by a majority of women (64.4%) and youth (46.9% are younger than 35).

35.6% of sector entities have volunteers with some disabilty. The volunteers with disabilities represent one-fifth of all the sector volunteers.

People involved in Third Sector Social Action

- In 2010, women have a greater presence in the governance organs of TSSA entities. Not accounting for special organizations, they represent 55.5% of the total number.
- Nine out of every ten persons comprising governance organs do not receive any compensation for their work in management and/or administration.
- In 2010, the persons under contract in TSSA entities amounted to 635,961, 106,932 more than in 2008. 34.7% of the entities have persons with disabilities under contract.
- 42.5% of the entities have less than 10 employees.
- The profile of hired staff by gender, age and level of studies does not vary with respect to 2008: 74.2% are women, 46.5% are younger than 34 and 62.6% have university studies.
- 60.4% of the workers have permanent contracts.
- 81.8% of the entities have volunteer support. There were a total of 1,075,414 volunteers in 2010, 202,243 more than in 2008.
- 53.2% of all the persons in the sector, paid or unpaid, are volunteers.
- 35.6% of the entities have volunteers with disabilities, who represent a fifth part of all the sector volunteers.

4 Economic Resources and Funding

Although by comparison with 2008, 2010 saw an increase in the total volume of TSSA income (from 16,824.5 million euro to 17,467.5 million euro), there was also a greater increase in expenditure (from 15,519.0 million euro to 17,021.2 million in 2010). The volume of expenditure for 2010 represented 1.62% of the total Gross Domestic Product of Spain for that year. If the expenses of special organizations are added, this percentage increases to 1.88%. This is a figure greater than that obtained in 2008 (1.69%).

Hence, during this period, there is an evolution of financial risk characterized by a high increase in expenditure as compared with income. This notwithstanding, TSSA entities resolve this situation in such a manner as to significantly reduce the proportion of entities spending more than they earn: from 32.3% in 2008 to 26.5% in 2010.

In 2010, the majority of the entities (66.7%) were not supporting any type of debt on third-party resources. The most notable data with respect to 2008 is the increase in the percentage of entities without third-party debt, which rose from 41% in 2008 to 66.7% in 2010.

The majority of TSSA entities –almost seven in every ten (68.8%)– have up to 300,000 euro yearly on budget. In comparison with 2008, the percentage of entities with a smaller volume of income (up to 30,000 euro yearly) increases. From accounting for 25% of the total number of entities in the sector in 2008, they represent 31.1% in 2010.

Public funding remains the principal economic support of TSSA entities, both in terms of quantity (60% of the funding total) and number of entities that resort to this funding type (92.8% of the total number). In relation to 2008, there is an increase of seven percentage points in self-generated funding.

Percentage represented by each funding type in the total volume of funding for TSSA entities in 2010 and 2008

	2010	2008
Public funds	60.0	61.3
Private funds	18.2	23.9
Self-generated funds	21.8	14.8
Relative total mean result	100.0	100.0
Base (n)	415	676

Future funding prospects are rather pessimistic. Up to 71.9% of the total number of entities considers that public funding will decrease between 2011 and 2012, 58.4% in the case of private funding. Barring the case of self-generated funding, the percentage of entities stating that the different funding types are going to increase during the next few years is very low.

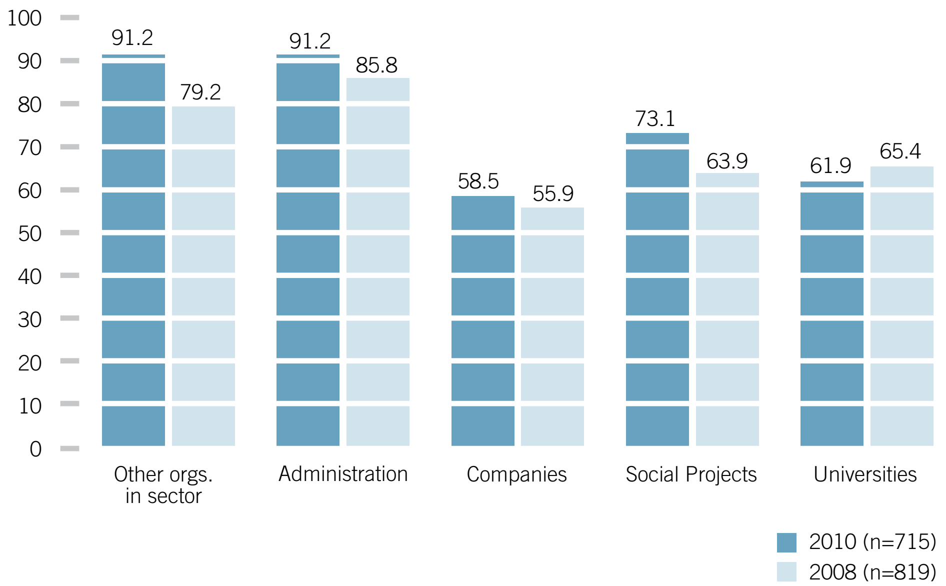
Economic Resources and Funding in Third Sector Social Action

- Not including the special organizations, the accounts of TSSA entities showed an increase in the volume of income, but above all, expenditure.
- In 2010, the volume of TSSA entity expenditure represented 1.62% of the total Spanish Gross Domestic Product in a somewhat higher proportion to the part it represented in 2008 (1.42%).
- The debt levels in the majority of entities (88.4%) do not exceed 25% of their liabilities.
- Self-generated funds represent 21.8% of total TSSA entity income, superior by seven percentage points to the situation in 2008.
- Funding from the Public Administration is the entities' principal source of income. 92.8% of the total number of entities relies on public funding.
- The entities' own resources increased in importance and, in 2010, accounted for one out of every five euros of TSSA entity income.

5 External Relations and Cooperation

Third Sector Social Action rates high in terms of relations and cooperation with diverse institutions that are external to the sector, above all with public administration entities, and, to a lesser extent, the social projects (*Obras Sociales*) of Savings Banks. In comparison with 2008, the increase of 12 percentage points in entities cooperating with other sector entities is noteworthy.

Proportion of TSSA entities maintaining relations of cooperation with different institutions and entities from the same sector (%) for 2010 and 2008



In all the cases, the most relevant data is the 2010 increase in terms of agreements as a formula for specifying terms of collaboration, whereas in 2008, this was practically a residual mechanism. Information exchange, evaluation and the joint conduct of awareness campaigns remain the primary vehicles of cooperation, both with other institutions and other entities in the same sector.

Percentage of TSSA organizations maintaining collaboration agreements with entities in the sector and other institutions for 2010 and 2008

	2010 (A)	2008 (B)	A-B
With other entities in the sector	32.5	2.5	30.0
With Public Administration entities	49.8	3.9	45.9
With Savings Bank Social Projects	29.5	3.1	26.4
With companies	20.9	2.6	18.3
With Universities	39.8	5.6	34.2

Participation and the promotion of social dialogue between the organizations of the sector take place over platforms and social networks (65.3%), attendance in fora (53.9%) and, to a lesser extent, in Boards (26.1%).

Three out of every five Third Sector Social Action entities habitually conduct campaigns or communication activities, above all to introduce themselves (90.3%) and raise civic awareness (74.1%). Almost all of the entities surveyed rated the conduct of external communications campaigns positively or very positively.

In 2010, the use of digital media such as websites, e-mails or text messages acquired significance as an instrument for channelling communication activities. In any case, it is usual to resort to talks or conferences (69.8%), the printed press (65.3%), radio (55.3%) and posters (52.3%).

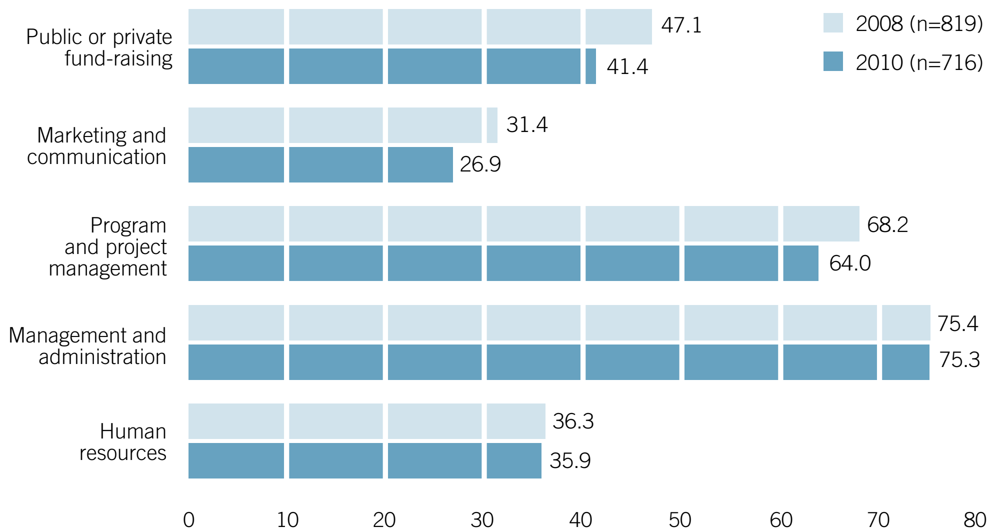
External relations and cooperation in Third Sector Social Action

- Nine out of every ten entities maintain relations with other entities in the sector or public administration agencies. Practically three-fourths do so with savings bank social projects.
- 41.1% of the organizations are of the opinion that they receive sufficient or considerable support from the social projects, and 49.1% say the same of regional governments.
- The vehicles for participation most utilised by the sector are platforms and social networks.
- Six out of every ten entities conduct communication campaigns, the majority (90.3%) to introduce the organization.

6 Management and Planning in Third Sector Social Action

The two departments prevalent amongst the sector entities are administration management (75.3%) and program and project management (64%). Fund-raising and marketing departments have been reduced in importance by six and five percentage points respectively, when compared with 2008.

Percentage of TSSA entities availing of different departments in their organizational structures for 2008 and 2010



Third Sector Social Action entities have some management plans implemented, but these focus on the prevention of labour hazards (69.6%) and on annual operating plans (68.7%). Amongst the entities with employees, 79.2% have labour hazard prevention plans. A lower degree of implementation amongst the sector entities is enjoyed by marketing (11.8%) and environmental management plans (17.2%).

In 2010, 35.1% of the total number of entities implemented quality systems in their organizations, 19 percentage points more than in 2008. The implementation of regulated or standardized systems of evaluation finds a moderate incidence in the sector. 41.8% of the entities evaluate processes, 54.7% evaluate results and 25.5% evaluate impact. 55.5% of the entities have implanted a system evaluating degree of beneficiary satisfaction with regard to their activities.

Management and Planning in Third Sector Social Action

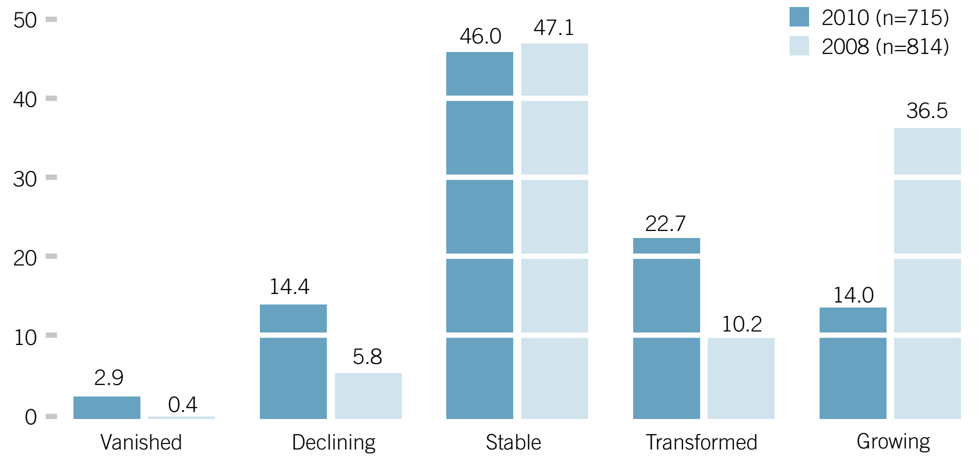
- In 2010, the sector entities gave priority to the areas of internal management as against production: departments of management and administration, above all, were maintained, along with program and project management.
- Only 11.8% of the entities surveyed had an implemented marketing plan.
- Six out of every ten entities in 2010 continue to operate without quality standards.
- Somewhat more than half the entities surveyed have an evaluation system on degree of beneficiary satisfaction with regard to their activities.

7 Perceptions about Third Sector Social Action: Future Expectations

Seven out of every ten entities consider that Third Sector Social Action in Spain generates a large or sufficient amount of trust amongst the citizenry. Although the sector perceives itself as having a high capacity for dynamism to confront new situations, the current economic climate provokes a certain insecurity with regard to the future.

- In 2010, 77.5% of the total number of entities anticipated difficulties in meeting their objectives during the next few years, 27 percentage points more than in 2008.
- The greater the volume of income, the higher the percentage of entities anticipating difficulties in meeting their objectives over the next few years.
- Practically all the entities (96.7%) indicated economic reasons as the most decisive factor to account for the difficulty in meeting their objectives over the next few years.
- Somewhat more than a fifth of the entities think that they must face some kind of transformation in 2013.
- A by no means negligible 14.4% of the entities see themselves declining in 2013, and 2.9% believe they will have disappeared.
- In 2010, entities with prospects of growth in 2013 were 22.5 percentage points less in number than in 2008.
- 82.7% of the entities confirmed that they were having funding problems, 20 percentage points more than in 2008.

Percentage of TSSA entities according to how they see themselves in 2013 and how they see themselves for 2010



Future Expectations in Third Sector Social Action

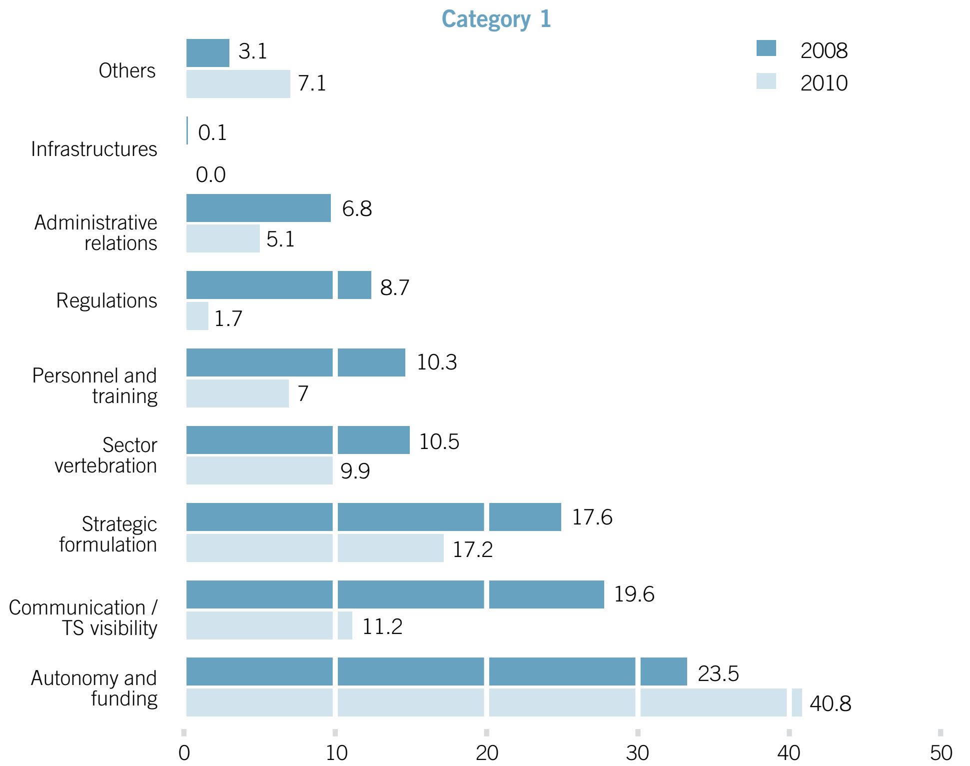
- The entities in the sector share the idea that they transmit trust and project a good image to society.
- From 2008 to 2010, the percentage of entities anticipating difficulties in meeting their objectives over the next few years increased considerably, from 50.9% in 2008 to 77.5% in 2010.
- For 2013, 22.7% of the entities believe that they must face some kind of transformation. 14.4% see their organization clearly declining and 2.9% even consider that they will disappear.

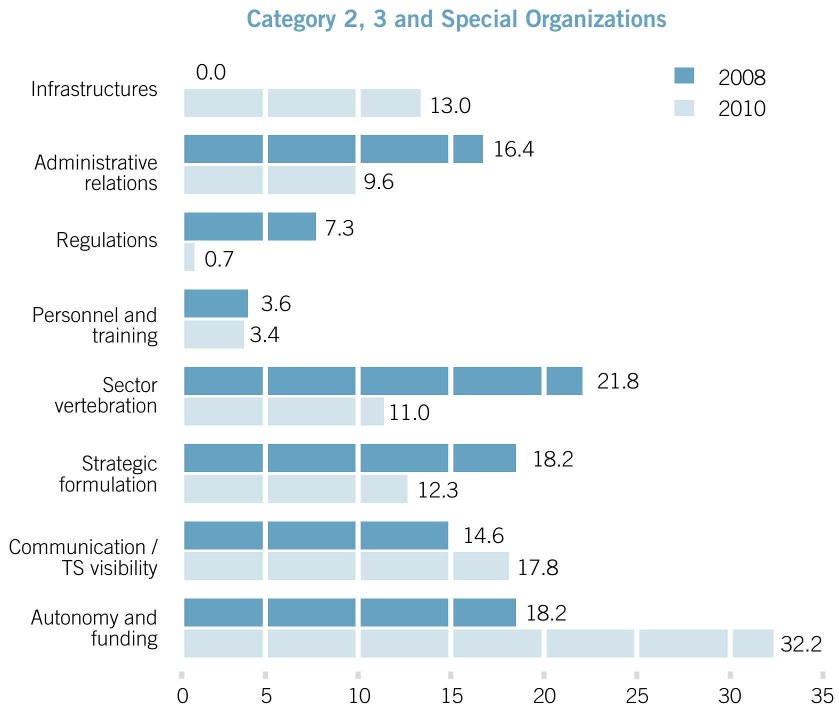
8 Principal Challenges in Third Sector Social Action for the next few years

Funding problems account for the main challenge that the entities anticipate for the next few years. This is the opinion of 41.2% in the first category of entities (16 percentage points higher than in 2008) and 38% in the second and third categories, together with the special organizations (15 percentage points higher than in 2008).

In addition to funding problems, Third Sector Social Action entities are facing other considerable challenges. Outstanding is the need for new strategic formulas to render projects more sustainable, optimizing every resource and service type, improving competitiveness with respect to the private sector, responding to new demands with more restricted means, and improving sector visibility and communication with society (citizens, institutions and companies).

Percentage of TSSA entities on the main challenges facing the sector in the next few years





Principal Future Challenges in Third Sector Social Action

- The main challenge that TSSA entities anticipate are funding problems, whether funding is public, private or self-generated. In all three cases, 2010 bears witness to a greater preoccupation for aid cuts over the next few years.
- The development of a strategic formula for sector entities appears as the second priority challenge for 24.1% of first-category entities and 20.5% of the entities in the higher categories.
- Approximately 10% of the entities consider the task of structuring the sector to better optimize resources and improve coordination among entities an important challenge.

Summary of the principal challenges facing Third Sector Social Action over the next few years

<table>
<tr><th>Priority Level</th><th colspan="2">Third Sector Social Action Challenges</th></tr>
<tr><td></td><td>Funding and Autonomy</td><td>Strategic Formula</td></tr>
<tr><td>1</td><td>The drastic general decline of public subsidies, social projects and funding channels directly affects project organization and management in the sector entities.
In this context, the search for new funding channels becomes a principal challenge for organizations and Third Sector Social Action in general, along with the search for an autonomy that will provide greater future stability for the entire sector.</td><td>The current economic climate generates a socio-economic scenario with new client profiles in need of attention, which will require adapting project management and planning systems.
In an era of increasing private sector competition, new formulas and strategic plans based on social innovation and the conclusive incorporation of ICTs on a daily basis as key working instruments and tools for service delivery are required.</td></tr>
<tr><td></td><td>TSSA Visibility / Communication</td><td>Sector Structuring</td></tr>
<tr><td>2</td><td>The sector must strengthen itself through the promotion and defence of the values behind Third Sector Social Action.
Hence, an intense and extensive task of communication promoting greater and better knowledge of the activities carried out by the sector entities is necessary, to facilitate social awareness-raising on all levels (amongst the citizenry, institutions and business companies).</td><td>The sector entities are clear on the fact that one of their immediate challenges entails reinforcing the coordination and relations between TSSA organizations. To achieve this, it is necessary to expand and reinforce the networking between entities, uniting efforts and optimizing existing resources to a maximum.
Parallel to this, there are entities raising the need to restructure the sector to reinforce it, even though this might lead to greater concentration at the expense of decline for the smaller entities.</td></tr>
<tr><td></td><td colspan="2">Personnel / Training</td></tr>
<tr><td>3</td><td colspan="2">The sector entities continue to insist on the need to increase the number of members and volunteers. Faced with the growing impact of the current economic climate, the organizations are projecting to recruit a greater number of volunteers who can collaborate to meet the targets set at a time of scarce financing. The reinforcement and, at least, the maintenance of current workforces under contract is an immediate challenge for all sector entities.
The sector has set itself the target of providing persons collaborating and working in the entities with adequate training adapted to current needs that will guarantee greater professionalism.</td></tr>
<tr><td></td><td>Relations with the Administration</td><td>Regulations</td></tr>
<tr><td>4</td><td>Relations with the Public Administration should be reinforced.
Third Sector Social Action must maintain and strengthen its role of intermediation with public administration entities. Its function is key to the design of social policy.</td><td>The sector must necessarily adapt itself to changes in the laws and / or regulations certain to affect its systems of organization and work.
The sector must uphold its active role in the promotion of new laws and regulations.</td></tr>
</table>

9 Appendix: Approach and Methodology

The 2012 Yearbook maintains the approach of contextualizing the Third Sector as those entities dedicated to Social Action in Spain, assimilating the Third Sector as a "not-for-profit sector". Third Sector Social Action denotes:

> *The sphere formed by private entities of voluntary, non-government character with no profit motive arising from free civic initiative that operate independently and in solidarity, attempting to promote the recognition and exercise of social rights, achieve the cohesion and active social inclusion of individuals in all their dimensions through actions of general interest, particularly in support of those persons and social groups in more vulnerable situations or at risk of social exclusion.*

The universe under study is composed of entities meeting the following requirements[4]:

1. They formally meet the five criteria defined by the Johns Hopkins University for Third Sector entities, i.e.: they are formally organized, private, with no profit motive, have institutional self-governing capacity, and involved voluntary participation.

2. They conduct their activities in any of the following three spheres: promotion of rights, civic participation or attending to social needs.

3. They fulfil one or several of the following functions: promotion of individual and group rights; help in accessing and exercising those rights; study and/or reporting of social needs and problems besides the sphere of rights; social awareness-raising on these social issues; direct response to these social needs; and promotion of civic participation.

The data-gathering instrument that facilitated the preparation of the 2012 Yearbook is a questionnaire electronically filled up on a website by a representative sampling of Third Sector Social Action entities in Spain. The questionnaire was kept available for 23 weeks, from the end of October 2011 to the end of March 2012. The data given by the entities had to refer to status as of 31 December 2010. In the case of the First Yearbook, the data had to refer to status as of 31 December 2008. For this reason, the convention of talking in terms of 2008 and 2010 data has been adopted in this report on the results, although there may have been questions of opinion actually associated with the precise moment in which the participating entities answered the questionnaire.

The sampling for Yearbook 2012 consists of 716 entities belonging to a total universe of 29,739. The margin of error being dealt with is ±3.7%, with a confidence level of 95.5% and a p/q = 50/50 distribution. The sample was prepared taking entities' scope of action, entity type, budget size and regional Autonomous Community to which the entities belonged into consideration.

4 As per the most widespread convention, the study of Third Sector Social Action recommends the exclusion of the following institutions: churches, trade unions and political parties, employers' associations and professional guilds, professional sports associations, and local communities (associative social fabric). In line with this recommendation, the yearbooks prepared by the *Fundación Luis Vives* do not include these institutions.

The results of the report reflect a global statistical validity and consistency. The sample bases do not enable statistical inferences upon data breakdown according to different analytical variables. However, this type of analysis breakdown does contribute approximate lines or tendencies regarding where the different aspects dealt with in the study are leading, or can lead to.

The Forum of Experts and the Seminars on Third Sector Challenges in Different Autonomous Communities

The preparation of this second Yearbook edition was given more complete substance by two complementary activities that brought an added value to its final result. The first was a forum of experts held in Madrid ("Forum of Experts of the Yearbook of Third Sector Social Action in Spain 2012"), which added a more qualitative and specialized perspective on the subject under study. Its most visible result was the publication of a summarized report on its main conclusions and a specific chapter to the 2012 general report entitled "*Summary of the Forum of Experts of the Yearbook of Third Sector Social Action in Spain 2012*".

The second complementary activity and line of work was the conduct of nine seminars in nine Autonomous Communities, to delve deeper into "*The Challenges facing Third Sector Social Action in Spain 2012*". The principal purpose of these seminars was to generate open debate through the participation of the Third Sector entities located in each of the selected Autonomous Communities. The seminars were held during the months of November and December 2012 in Andalusia, Catalonia, Extremadura, Aragon, the Basque Country, Cantabria, Galicia, Castile-La Mancha and Navarre. The official presentation of the 2012 Yearbook took place in Madrid.

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