



THIRD SECTOR OF
SOCIAL ACTION IN 2015:
IMPACT OF THE CRISIS
EXECUTIVE SUMMARY



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Disclaimer

The object of analysis of this report is the Third Sector of Social Action. To maintain a writing style that avoids repetition, the terms Third Sector, Social Sector, Third Sector etc. have been used interchangeably, always referring to the Third Sector of Social Action.

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Methodology 01

This document is a summary of the results of the Report *The Third Sector of Social Action in 2015: Impact of the crisis*, addressing the impact of the current economic crisis on the Third Sector of Social Action (hereinafter TSSA). More specifically the report focuses on the activities that the entities forming this sector are carrying out, the future development and the changes that are taking place to improve the effectiveness of these organisations according to the new social needs.

To this end, a survey has been conducted with a representative sample of TSSA entities, taking as a sampling frame the entities that participated in at least one survey of the two previous editions (2010 and 2012) of the Yearbook of Third Sector Action in Spain (EDIS and Luis Vives Foundation).

Within the Third Sector, our research has focused on social action entities (Third Sector Social Action). TSSA organisations are identified based on the definition adopted by the MGO State Council of Social Action under the Second Strategic Plan of the Third Sector of Social Action, 2013-2016: *“The Third Sector of Social Action (TSSA) is the environment formed by private voluntary and non-profit organisations, which, arising from the initiative of free citizens, work independently and severally attempting, through actions of general interest, to promote the recognition and exercise of social rights, to achieve social cohesion and inclusion in all its dimensions and to prevent certain social groups from being excluded from adequate levels of welfare.”*

This study started with the definition and delimitation of the Third Sector of Social Action. It was developed for the fulfilment of the Yearbook of Third Sector Action in Spain, in its two editions, by EDIS and the Luis Vives Foundation in 2010 and 2012. See pages 5 through 28 of the 2010 Yearbook and pages 261 to 284 of the 2012 Yearbook.

The survey results are compared to the data published in the two yearbooks of the Third Social Sector in Spain (EDIS and the Luis Vives Foundation, 2010 and 2012). The time reference varies between the year of the completion of fieldwork and the reference year, which was explicitly asked in some questions, particularly on governance, volunteerism, employment, income, expenditure and financing.

Fact Sheet

Index

Organisations that fall under the Third Sector of Social Action, within the entire territory of Spain. Total= 29,739 entities (according to the TSSA Yearbook published in 2012)

Sampling Frame

It consists of the entities interviewed in at least one of the two yearbooks of the Third Sector Social Action in Spain. This sampling frame is of 962 entities.

Sample

The survey was conducted with a total of 408 entities of TSSA. Including the three big and singular entities (Red Cross, Cáritas and ONCE). Of the sample obtained, 384 entities are from the sample frame of the TSSA Yearbooks, and the remaining 24 entities are from the databases of POAS.

Margin Of Error

± 4.8% at a confidence interval of 95.5%, with p=q=50.

Questionnaire

Structured and pre-coded questionnaire of 386 variables.

Field Work

CAWI Survey (Computer Assisted Web Interviewing) with telephone support for attracting entities, providing motivation and a reminder for completion. Duration of 17 weeks from March 30 until August 4, 2015

02

A consolidated sector organized in a network

Proximity action at the advanced stage of consolidation

TSSA is currently at an advanced stage of consolidation in terms of experience. Almost 60% of the entities already date back 20 years or more in 2015 and a 22.4% have between 15 and 19 years of experience. The remaining 17.8% would be the most recently established entities (under 15 years). In 2015, as in previous

years, the initiative of citizens continues to play the lead role in promoting TSSA entities; in this case the figure amounts to 57.2%.

The preferred local environment of TSSA is confirmed in 2015. The majority (78.5%) of the entities act at a regional, provincial or local level. Those who work at a state level or within the international environment are a minority. In addition, only 12% of the entities have a centre or an associated company (the downward trend that has been observed since 2009 still goes on).

	2015	2010	2008
Regional	34.3	32.8	32.6
Provincial	27.4	29.7	28.6
Local	16.8	21.8	19.5
State	15.8	11.3	12.9
International	5.7	4.3	6.3
Total	100	100	100
Basis (n)	408	716	819

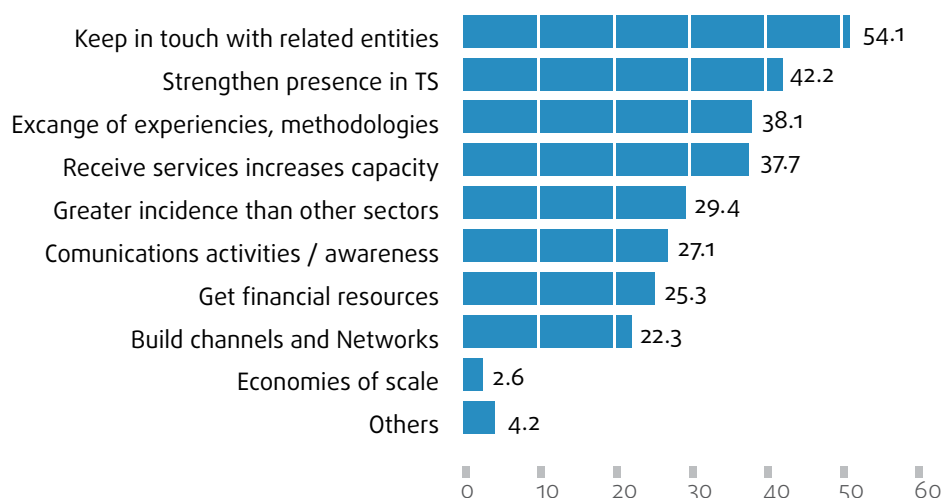
Table 1
Percentage distribution of the TSSA entities according to territorial scope. Years 2015, 2010 and 2008.

The network organisation as a driving force for the consolidation of the sector

Promoting coordination and networking can help TSSA to boost its social contribution and its recognition and consolidation as a sector. Before the crisis, it is necessary for entities to join efforts to increase their efficiency and impact. All the singular entities, most of them of level 2-3 (90.3%) and 79.1% of Level 1, are attached to some kind of organisation. In other words, 8 out of 10 institutions are organized within a network of other entities.

The reasons for joining a network vary between a strategy to improve positioning in the sector and improving their operational activities (54.1% join to “keep in touch with related entities or entities working for the same purposes”, and 42.2% for “enhancing their presence and influence in the Third Sector”). However, a significant progress has not been made in recent years in such processes of accession and integration.

Figure 1.
Percentage of TSSA entities attached to other organisation for the reason of accession. Year 2015.



Adequacy of the services provided for member entities

The services provided by level 2 or level 3 institutions largely coincide with the motivations expressed by the entities joining them. They are mainly related to the positioning strategy in the sector and to the improvement of their operational activities. The services that second or third level entities provide the most are those of coordination and organisation, with a 24.6% rate in recent years, which has been growing slowly but progressively. Second in importance are the services for participation and dialogue, that account for 14.45%, information/orientation, which accounts for 13.4%, and training services, that account for 9.1% of entities.

Table 2.
Distribution of second and third level organisations according to the services they provide to their member entities. Years 2015, 2011 and 2009.

	2015	2011	2009
Coordination and organisation	24.6	23.2	21.2
Channel of participation and dialog	14.5	6.9	6.9
Information and/or orientation	13.4	12.6	13.8
Training	9.1	10.2	10.4
Fundraising	8.5	5.8	7.6
Technical and/or logistical support	7.0	7.4	8.7
Technical advice	6.1	7.7	7.3
Organisational legal advice	5.6	4.6	8.0
Social awareness	5.1	11.3	8.4
Promotion of volunteering	5.1	5.6	4.5
Others	1.0	4.7	3.2
Total	100	100	100
Basis (n)	63	95	81

Intra-sectoral strength against weak and uneven external relations

The interaction with various actors is key and strategic to the development and consolidation of social sector entities. The sector has the strongest ties within itself; 66% of the entities say they have a “considerable or high level” of relationship with other TSSA entities (versus 44% which have little or no relationship), a figure similar to 58.7%, obtained when the entities were asked about the relations of cooperation.

The intense relationship with public institutions does not always mean good cooperation. While 62.8% of the entities show a considerable or high level of connection with the Public Administration, only 37.4% say that it ultimately turns into a considerable or high level of cooperation.

A particularly striking point is the sector’s low relationship (19.8%) and cooperation (15.4%) with the world of business. In a time of change in the revenue structure, the opportunities that corporate social responsibility (CSR) provides to the sector for financing social projects and undertaking joint initiatives should not be put aside.

Two different realities seem to coexist in external interactions. On the one hand, entities with public administrations as an important channel of their revenues, which in turn tend to be larger, have a high level of relationship and better coordination. On the other hand, we see those who have their own or private income as their key income channel, which usually tend to be organisations which are smaller in budget, having less interaction with public administrations.

	Public administration		Companies		Social Work		TSSA Entities		Basis (n)
	Relationship	Cooperation	Relationship	Cooperation	Relationship	Cooperation	Relationship	Cooperation	
Main Financing									
Public	78.1	51.8	20.8	16.3	64.6	51.0	77.7	71.5	226
Private	39.9	25.8	19.7	24.8	41.0	60.8	58.5	58.1	37
Own	33.9	13.3	17.6	12.7	35.2	23.8	52.7	38.2	45
Mixed	64.8	29.2	21.9	17.6	57.4	54.9	73.8	66.0	35
Budget Volume (€ x 1,000)									
Up to 30	46.2	17.9	11.7	13.9	36.6	35.2	44.6	41.8	38
31-300	66.8	41.8	20.0	16.0	59.0	47.2	77.0	67.3	125
301-1000	73.1	46.7	22.5	13.5	52.0	41.3	73.4	63.9	119
More than 1000	75.2	56.1	32.8	19.1	77.2	53.2	74.2	66.5	99
Total TSSA	62.7	37.4	19.8	15.4	53.6	43.3	66.0	58.7	408

Table 3. Percentage of entities that report having a considerable or high level of relationship/cooperation with various types of agents. Year 2015.

A sector that is open to new social demands and to the changing profile of beneficiaries

The entities that constitute the Third Sector of Social Action are mainly engaged in the fields of social action, integration and inclusion, as well as health and social care (82% of the entities). In keeping with the new social demands and the context of crisis, the activities dedicated to integration and inclusion have been intensified since 2009, as reflected in the increase by 9.2 percentage points of entities dedicated to these issues. Likewise, in response to the problems of the people affected by the evictions, entities whose field of action is housing, which amount to 8.7% of the sector in 2015, become significantly apparent while the field was not so active in the previous years.

Table 4. Percentage distribution of TSSA entities according to territorial scope. Years 2015, 2011 and 2009.

	2015	2011	2009
Social Action	34.7	38.6	45.3
Integration and inclusion	27.4	23.2	18.2
Health & social Care	19.8	22.1	15.5
Housing	8.7	0.1	0.3
International cooperation	4.4	3.4	4.0
Human rights	3.5	2.0	2.1
Participation	1.1	3.3	2.1
Environmental	0.1	0.2	0.0
Other	0.4	7.2	12.4
Basis (n)	408	716	819

In the results of 2015, more than half of the activities were for direct intervention, one in four were cross-cutting activities (information, counselling, etc.) and the rest were other activities. A more detailed breakdown shows that the training/education activities are the ones that are the most performed (14.9%), increasing their presence since 2009. This is followed by information and public awareness

(12.8%), psychosocial support (12.9%), advice and orientation (12.2%), employment (10.9%), day care or day centre activities (8%) along with the promotion of rights and reporting of noncompliance (7.5%).

The adaptation of TSSA entities to new demands is reflected in the activities they perform. The increase in the activities of education, training and employment to alleviate the employment crisis that occurred between 2009 and 2011 has been consolidated. In turn, the role of reporting noncompliance in the current context of the loss of social rights is becoming increasingly important, with an increase of 7.1 points in activities since 2009, overlapping with the industrious actions of civic movements.

	2015	2011	2009
(Total) direct intervention	53.1	54.9	44.1
Training/Education	14.9	14.4	10.7
Psychosocial counselling	12.9	13.5	13.8
Labour integration	10.9	10.7	7.9
Day care or day centre activities	8.0	8.1	6.0
Residence alternatives	3.8	5.6	3.5
Food	1.2	1.0	0.9
House help	0.8	1.2	0.8
Personal financial aid	0.6	0.4	0.5
(Total) transversal activities	25.0	23.1	30.6
Information/Social awareness	12.8	12.2	17.2
Counselling/Orientation	12.2	10.9	13.4
Other activities (total)	21.9	22.0	25.3
Promotion of rights/advocacy	7.5	4.8	0.4
Promoting voluntary actions	3.5	4.2	1.6
Local or community development	2.8	4.0	4.8
Research	1.9	1.4	5.6
Other	6.2	7.6	12.9
Total	100	100	100
Basis (number of answers)	1,130	1,969	2,159

Table 5.
Distribution of the activities of TSSA entities.
Years 2015, 2011 and 2009.

The results of 2015 show that families, people with disabilities and the general population continue to be priority groups of beneficiaries, with a percentage of entities amounting to 41%, 37.1% and 26.3% respectively dedicated to these groups, though with an uneven evolution. While families maintain their weight compared to 2011, people with disabilities and the general population show a decline. The concern for children and youth in the TSSA is evident in 23.7% of the entities with children and 23.5% with young people as a priority group. Compared to previous years, an increase is detected in the percentage of entities dedicated to children, with an increase of 4.4 points.

Table 6.
Percentage of first level entities, according to the priority group of acting beneficiaries. Years 2015 and 2011.

	2015	2011
Families	41.0	41.3
People with disabilities	37.1	45.7
General population	26.3	34.0
Children	23.7	19.3
Young people	23.5	22.9
Dependent people	12.8	*
People with drug addiction/addictions	11.5	8.7
Immigrants	9.5	9.5
Women	9.3	11.9
Individuals facing poverty/marginalization	8.7	15.6
Volunteers and other professionals	8.6	13.3
The elderly	7.0	19.1
Unemployed people	4.4	7.8
Inmates and ex-inmates	3.9	3.9
Homeless people	2.1	2.8
People belonging to an ethnic minority	2.0	1.4
Mistreatment and abuse	1.9	2.9
People who exercise prostitution	1.9	1.9
People in emergency situations (disasters)	0.6	0.6
Refugees, asylum seekers	0.4	0.5
Gays, lesbians, transgendered people	0.0	0.7
Other	8.5	12.2
Average number of groups per entity	2.45	2.76
Basis (n)	341	618

(*) This category was not included in the questionnaire of the 2011 Yearbook.

Strong and steady increase in direct care

The volume of direct care in 2012 was estimated at nearly 51 million and has reached nearly 53 million in 2013. Since 2010, direct treatment has increased by 5.3 million, which points to an increase of 11%. Direct attention has not stopped growing since the beginning of the crisis. Since 2007, it has grown by just over 16 million, which points to an increase of 43.8%, while it is true that a slowdown is observed in growth since 2010.

Year	Estimation	Variation Previous period	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
2012	50,922,314	3,254,410	6.8
2013	52,976,713	2,054,399	4.0

Table 7. Estimated number of direct care attentions by TSSA entities. 2007, 2008, 2009, 2010, 2012 and 2013. Average change and relative increase.

A governance changing with the times

04

Reduction in the size of government bodies, except the growing assemblies at top-level associations

Most TSSA entities have small management boards. In the case of foundations, boards and management teams of fewer than ten members in both bodies amount to 77.1% and 92.1% respectively. In the recent years there has been a reduction in the size of these organs. Thus, the percentage of foundations with under 10 members in their patronage in 2013 is 10.4 points higher than 66.7% in 2008. Moreover, there is a 70.1% proportion of foundations with a management team of under 5 members in 2013, which is 27.7 points higher than the proportion recorded in 2008.

In contrast, the proportion of first level associations which have a large volume of members (between 100 and 500) is increasing. In fact, in 2013, first level associations of this size are becoming the most common in the TSSA (representing

44.7%), while in 2008 were those having 20 to 99 members (36.9% in that year). In the meantime the boards of directors of these associations, maintain a similar structure over time, with a predominance of those with 5 to 9 members.

The governing bodies of entities of the secondary and tertiary level are becoming ever smaller. In 2013, we see that most of them have assemblies less than 99 members. These constitute 88.1% of these entities, with an increase of 5.3 points compared to 2008. On the other hand, we see executive boards and standing committees with fewer than 9 members, which amount to 89.3% and 76.8% respectively.

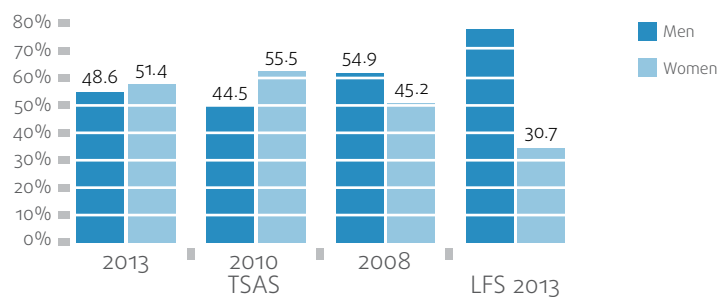
In general, singular entities have kept the composition of their governing bodies fairly stable in the recent years.

Rooted, though not widespread, presence of women in governing bodies

In 2013, a majority of women were in the governing bodies of the entities of TSSA as a whole, accounting for 51.4% of the people who make up these organs. This figure is somewhat lower than the one obtained in 2010 (when women accounted for 55.5% of the people who were in charge of TSSA entities), although their presence is still higher compared to what happened in 2008, when they barely represented 45.2% of the people who made up the governing bodies of TSSA entities.

If the participation of women in the management boards of the sector is compared to the participation that exists in similar tasks within the scope of working people in Spain, the differences are quite significant; Labour Force Survey (LFS) data for all such tasks cast a preponderance of men in leadership positions, namely 69.3%, a difference of 20.7 percentage points to the 48.6% of TSSA. This data provides more insight when compared to the data obtained in 2010, when men took 73.9% of management positions in Spain and only 44.5% of management positions in TSSA entities; a difference, at the time, of nearly 30 percentage points, which has been reduced in the recent years. Therefore, the Third Sector continues to reflect more accurately the presence and weight of women in management boards.

Figure 2. Percentage distribution by sex of the people who make up the Governing Bodies of TSSA organisations (except singular organisations), and the employed population (male and female executives) of Spain. Years 2013, 2010 and 2008.



Depending on the type of entity, it is observed that the presence of women in the governing bodies of foundations provides two highly distinct realities: while the boards are composed mostly of men (69.6%), management teams are mostly comprised of women (56.4%). This structure remains consolidated in time, but with a slight tendency towards equality in both cases.

In the first level associations, the presence of women in governing bodies is the majority (representing 57.4% at assemblies and 61.1% in the boardroom), and this composition has remained stable in recent years.

In contrast, the opposite happens at second and third level entities. The governing bodies are composed mostly of men (53.8% in the boards and 54.2% in the standing committees), without major changes in the past three years.

Dedication to governing bodies is mostly of an altruistic nature

The vast majority of the people who make up the governing bodies of the entities of TSSA do not receive any payment for their work. Only 8.6% of people in positions of leadership and management in TSSA receive some payment for work and/or services. However, in recent years, this proportion of paid posts has increased continuously from 4.9% in 2008 to 6.1% in 2010 and 8.6% in 2013.

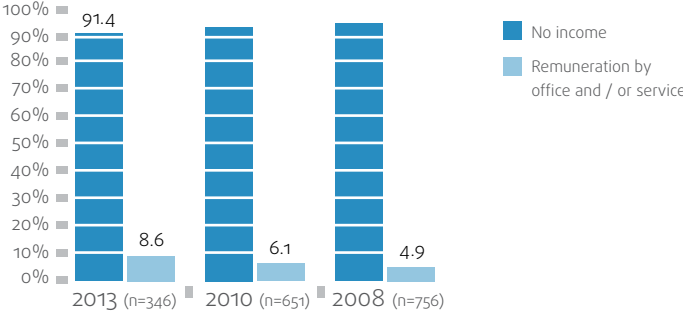


Figure 3. Percentage of people who make up the governing bodies of TSSA entities according to the types of payment received. Years 2013, 2010 and 2008.

An important sector for job creation in Spain

Creating jobs in times of crisis

At TSSA as a whole, 644,979 payroll staff worked in 2013. Out of these, 77,579 did so in the singular entities, which constitute a 12% of the total. Since 2010, employment has grown by 9,018 people, the increase mainly being due to job creation at the singular entities. Except for the singular entities, the sector has lowered its volume of employment since 2010 by 27,013 people, a variation of -4.5%, reaching 567,400 employees. The upward trend in employment between 2008 and 2010, with an increase of 22.5%, has stopped, probably due to the drop in social projects from the public sector, resulting from deep cuts in social policy.

In the Spanish labour market, the weight of the social sector occupation on all employees has been steadily growing since 2008. Taking the volume of LFS employees on an annual average rate, the employment of the TSSA assembly as a whole represents 3.1% of the total in 2008, 4.1% in 2010 and 4.6% in 2013. Since 2008, the weight of TSSA employment in Spain has grown by 1.5 points. If the singular entities are excluded, the analysis is very similar, with an increase of 1.1 points on the weight of employment in the social sector, which rose from 2.9% in 2008 to 4% in 2013.

Table 8.
Estimated number of people working with a formal contract in TSSA entities. Years 2013, 2010 and 2008.

	2013		2010		2008	
	Total TSSA	Excluding Singular Entities	Total TSSA	Excluding Singular Entities	Total TSSA	Excluding Singular Entities
Estimated employment	644,979	567,400	635,961	594,413	529,029	485,264
Basis (n)	406	403	716	713	819	816

Considering the social sector as part of the “health activities and social services” (2009 National Classification of Economic Activities), it is found that half of the employment of the social sector comes from TSSA, with a clear increase in its weight. In 2013, TSSA accounts for 50.2% of health activities and social services, which is higher than the data recorded at 48.3% in 2010 and 43.7% in 2008. In terms of employment, TSSA is being consolidated as part of the Spanish economy during the crisis, given the increase in its representation in the sectoral benchmark by 6.5 points since 2008.

78.5% of the sector entities in 2013 had at least one person on staff, very similar to the figure obtained in the 2008 (77.6%) data, but clearly lower than the data recorded in 2010 (86%). These figures explain the decline in employment in the sector since 2010, with the singular entities not being taken into account (-4.5%). It is possible that an important segment of entities have had to let go of all their employees, which would explain the drop by 7.5 percentage points in entities that have paid employment.

However, the average number of people employed by each entity has increased in the reference period, going from 24.6 people employed on average per entity in 2008 to 23.2 in 2010 and to 31.2 in 2013. This is because the larger TSSA entities (those with more than 300,000 euros of budget volume) significantly increased their staff of people with formal contracts.

	2013	2010	2008
Up to 30,000	4.9	10.5	1.1
From 30,001 to 300,000	18.0	21.9	8.0
From 300,001 to 1,000,000	22.3	13.1	22.2
More than 1,000,000	97.7	67.8	71.0
TSSA total mean	31.1	23.2	24.6

Table 9. Estimated average number of paid employees in TSSA entities according to the budget volume. Years 2013, 2010 and 2008.

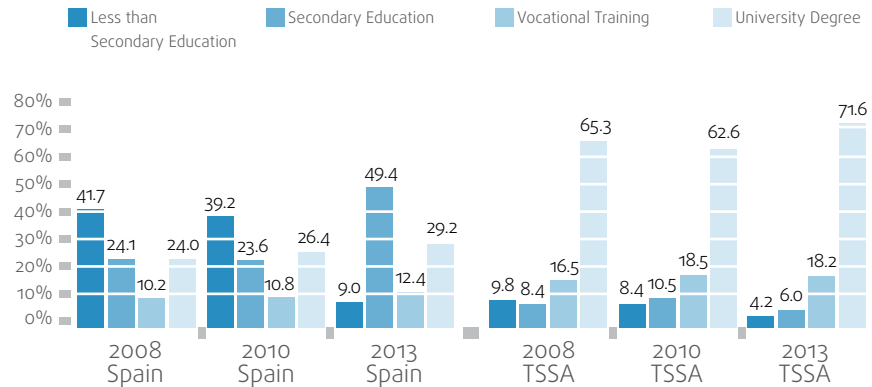
Highly qualified employment, with mostly young people and women

On the contrary to what happens in the whole Spanish economy, most regular employees in TSSA are women (78.4%). In other words, for every man who works in the sector, there are almost four regular female employees. This figure has increased over the past three years. In 2008 and 2010, the presence of women staff among the regular employees in TSSA was estimated to be around 74% of those recruited in total.

Moreover, all the workers of TSSA are characterised by a younger average age than the people employed in the country as a whole. Thus, the proportion of workers under 35 years compared to the total number of workers in Spain in 2013 is 27.4%, while the same figure for the TSSA is 39.5%. However, a slight aging is recorded in the workers hired by the TSSA in the last three years, in line with the trend of the entire working population in Spain.

The high level of education of people working with a formal contract in TSSA is a well distinguishing characteristic. Thus, 71.6% of the employees have a university degree (42.4 points more than the whole working population in Spain) and, by contrast, a low 10.2% of people have a level of education at the secondary level or below (48.2 points less).

Figure 4. Percentage distribution of paid workers by education level. TSSA entities and the whole working population in Spain. Years 2013 (n=336), 2010 (n=624) and 2008 (n=693).



Continuity of employment, with a remarkable presence of part-time and temporary employment compared to Spain as a whole

In recent years, there has been a decrease in the percentage of people with full-time employment, thus returning to the 2008 levels. In 2013, more than half of the people working with a formal contract in the TSSA (56.6%) have a full-time occupation, which is 6.4 points less than the figure recorded in 2010.

This decline in the proportion of people working full-time is a tendency that is also being observed in the working population in Spain in general (in 2008, people with full-time contracts represented 87.5% of workers and, in 2013, 83.9%), though never at the levels recorded in the TSSA in the same period. Therefore, if the situation of TSSA is compared with the employed people in the country as a whole, it seems clear that the proportion of full-time workers in the sector is far from the reality existing in the Spanish labour market.

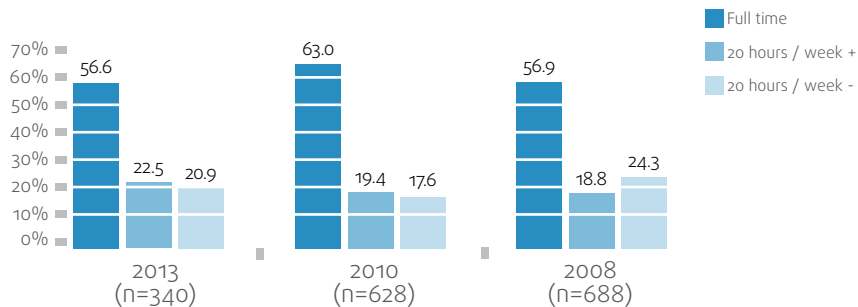


Figure 5. Percentage distribution of paid workers in TSSA entities by their weekly time commitment Years 2013, 2010 and 2008.

However, in the last three years (2010-2013), the proportion of those who dedicate more than 20 hours a week to their work, which accounted for 52.4% of those with part-time contracts in 2010 and 51.8% in 2013, despite the proportion recorded at 43.6% in 2008, has been maintained among part-time employees.

More than half of the TSSA workers have a certain level of job security (56.9%), having spent five years or more working in the same entity. More specifically, one in four people (25.6%) have been working in the same TSSA entity for more than 10 years, and a 31.1% have been working in the same entity between 5 and 10 years.

Although temporary jobs are still present in the sector, approximately two out of three TSSA workers (a 65.2%) have a permanent employment contract. The temporary rate is therefore at 34.8% in 2013, which means that the downward trend continues compared to the years 2008 (46.0%) and 2010 (39.6%). This coincides with a reduction in the same indicator for the entire working population according to the LFS data, though more moderately so. This reflects that the destruction of employment that has occurred in the recent years has punished the more unstable employment types even harder.

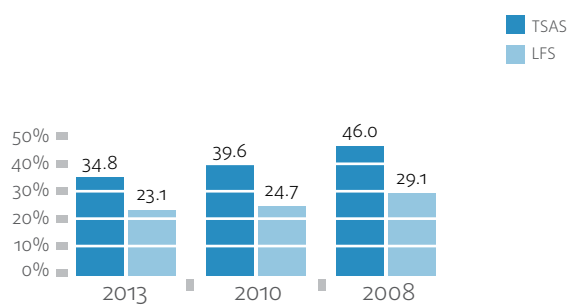


Figure 6. Temporariness rates in the TSSA and Spain (LFS IVT). Years 2013, 2010 and 2008.

Training as an adaptation strategy

Most of the entities (79.9%) reported providing their employees with training courses during 2013, an indicator that is lower by 5.1 points compared to the 2009-10 biennium.

TSSA entities, as is the case with companies in other sectors, can access the aids of the Tripartite Foundation to fund the training of paid workers. Thus, 64.8% of the entities with staff hired in 2013, had received such an aid to schedule their training, which is very similar to the results obtained in 2010.

The main content where one in four actions developed in 2013 focused was *Social Intervention*, though the interest of organisations to train their colleagues in the areas of management and areas related to ICTs should also be pointed out.

Finally, it should be noted that Third Sector entities have shown their interest and the need to continue training in the areas of social intervention and accounting/fundraising.

Greater support in volunteering introduces new challenges to the sector

06

Increase in volunteering in response to the crisis

In 2013, the Third Sector of Social Action has about 1.3 million people who work selflessly and with solidarity. Out of these, a significant proportion, amounting to 22.7% (289,045 people), do so in one out of three singular entities. In three years, volunteering has increased by almost 200,000 people, an increase of 18.3% in the whole sector and of 22.8% if singular entities are not taken into account.

Table 10.
Estimated number of TSSA volunteers. Years 2013, 2010 and 2008.

	2013		2010		2008	
	Total TSSA	Excluding Singular Entities	Total TSSA	Excluding Singular Entities	Total TSSA	Excluding Singular Entities
Estimated employment	1,272,338	983,293	1,075,414	800,727	873,171	636,409
Basis (n)	382	379	593	590	674	671

In the whole sector, excluding the singular entities, volunteers represent on average a 71.5% of the total workforce in the same sector, whether paid or not paid. This proportion is much higher than the ones recorded in the year 2010 (53.2%) and 2008 (56.7%), which presents a scenario that is very much different from the one existing in the early years of the economic crisis.

This increase in volunteering is consistent with the increased number of entities that depend on the volunteers. Nine out of ten, or 90.1%, have volunteers working in their organisation. This figure has increased over the past few years. In 2010, this figure was recorded at 81.8% and in 2008 it was at 83.5%. In addition, there has been an increase in the weight of volunteers in organisation in the past five years. The average number of volunteers per entity has grown by 10 people in this period, from 26.4 in 2008 to 32.9 in 2010 and to 36.2 in 2013.

The increase in volunteering has been one of the responses of the sector to the crisis, in order to meet the increasing social demand in the context of budget cuts and lack of professional resources, which are covered with volunteer workers. This new scenario allows for two conclusions: on the one hand, it can be seen as a positive expression of the greatest increase in altruistic citizen participation; on the other, it can be seen as a risk for the loss of professionalisation in the sector, as entities depend on fewer hired professionals in their staff in relation to the human resources they manage as a whole. The replacement of professionals by volunteers, even though it results from a noble effort to meet the increased demand and social needs, involves such risk. The volunteers should have the appropriate training to perform the job entrusted to them. Otherwise, this could be an obstacle against the need for improving efficiency in the sector and it would pose the challenge of managing the voluntary service in a way that is more and more focused on qualifications.

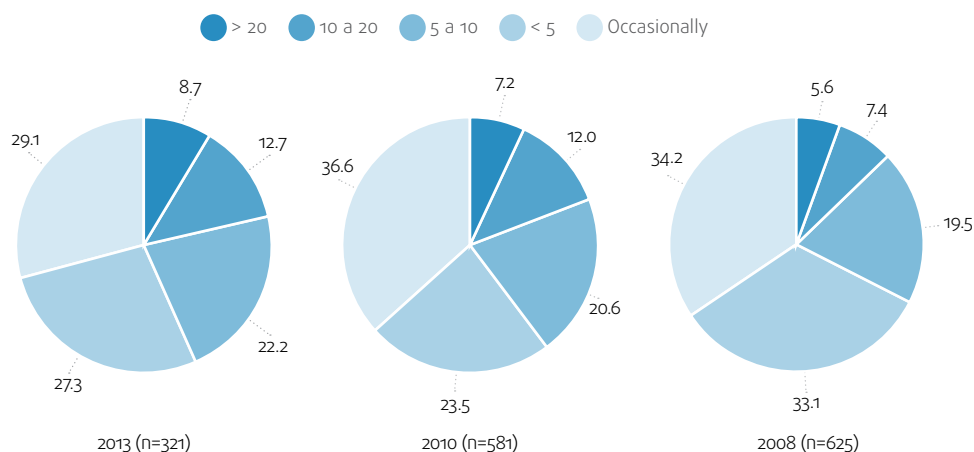
Increased time commitment of volunteers

It seems that the time commitment of volunteers has grown in the recent years. This is consistent with the increase that has been experienced in the total number of volunteers and the increased need for such employees by the entities. Thus, the proportion of volunteers who spend more than 5 hours per week has grown in the recent years, from 32.5% in 2008 to 39.8% in 2010 and to 43.6% in 2013.

However, volunteers generally have a reduced commitment level that does not exceed five hours per week (27.3%), and an important part of around three in ten days (29.1%) only occasionally collaborate with entities. This means that they spend an undetermined period, which can be once a week or less. The proportion of volunteers with less time commitment (occasional volunteers with less than 5 hours of commitment per week) has fallen, from 67.3% in 2008 to 56.4% in

2013. By contrast, a slight increase is observed in the proportion of volunteers who devote more than 20 hours a week, rising from 5.6% in 2008 and 7.2% in 2010 to 8.7% in 2013.

Figure 7.
Percentage distribution
of volunteers in
entities according to
their weekly time
commitment. Years
2013, 2010 and 2008.



High Integration of volunteers in entities

In 80.3% of the entities, volunteers are involved in intervention and direct care for individuals and target groups; in 79.2% of the entities, volunteers collaborate in the tasks of raising awareness, campaigns and fundraising. Finally, volunteers also work in administration and management tasks (61.5%), as well as organisational processes, such as decision-making, the definition of strategic guidelines and other subjects (61.3%).

These data reflect a very wide and varied level of participation, even reaching the most important matters, such as decision making or issues related to organisation and planning. This implies that volunteers are very integrated and involved in the organisation in which they collaborate.

Dependence on less trained volunteers could put the quality of services at risk

An important part of the entities (63.1%) conducted training for volunteers during 2013, though this is well below the training obtained for paid employees (79.9%). The rate of entities that train their volunteers is 5.1 points less than the figure obtained for the 2009-10 biennium.

The decline in the proportion of entities that train their volunteers, though slight, is sociologically significant. In a context where the volume of volunteerism and the time committed by these volunteers have grown, it does not seem consistent that the training activity for volunteers in entities has decreased. The logical thing would be to expect rather the opposite. In this era of changing social needs and an increased volume of direct beneficiaries, depending on less trained volunteers could carry the risk of providing services of a poorer quality. Establishing training activities for volunteers adjusted to the needs of the sector and encouraging their participation could be the corrective action to minimize this risk.

Online strategy is becoming more powerful than offline strategy in attracting volunteers

Lectures, conferences as well as family and acquaintance networks are the means used by a higher percentage of entities in the sector to recruit volunteers. At present, 72.6% of the entities use online strategies, which is a figure that has been stable since 2008. Secondly, we see the use of means such as the Internet and other information technologies (currently used by 49% of entities), brochures and posters (42.9%) and *vis à vis* intake (42.6%).

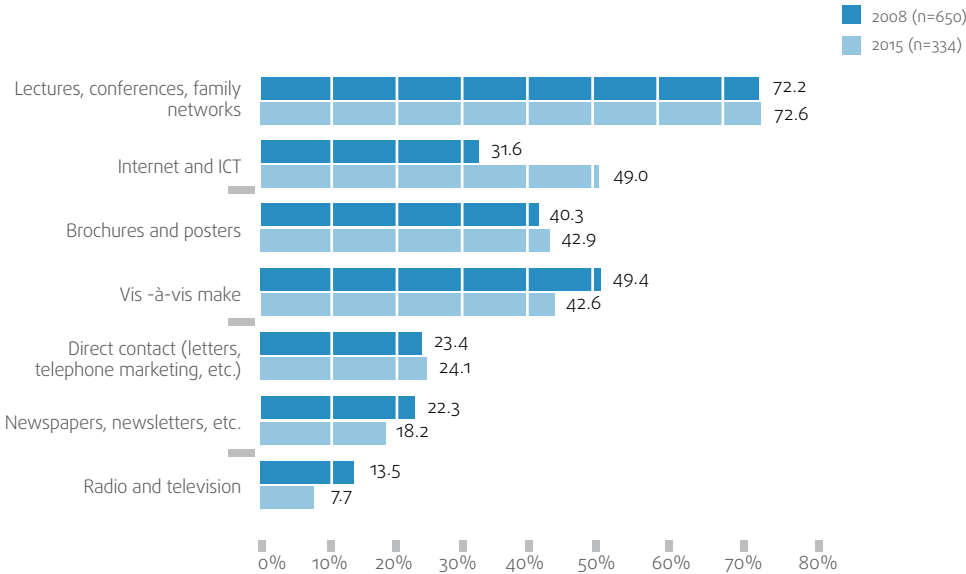


Figure 8. Percentage of TSSA entities according to the channels they use to recruit volunteers. Years 2008 and 2015.

Online strategy is becoming more powerful than *offline* strategy in attracting volunteers. Activities such as lectures, conferences, family and acquaintance networks, as well as the proportion of institutions using leaflets and posters have been maintained since 2008, and face-to-face recruiting has even decreased by almost 7 points. In the meantime, the share of entities using the Internet channel and similar ICTs has grown by 12.6 points.

Diversification of income sources in the context of the crisis

07

An important sector in the Spanish economy, though with internal gaps

In TSSA entities, there has been a decline in both the volume of revenues and expenditures. The revenues of 2013 were approximately 14,470 million euros, 14% less than the figure recorded in 2008 and 17.2% less than the one recorded in 2010. The estimated expenditure of the sector amounts to 13,919 million euros, a decrease of 10.3% since 2008 and 18.2% since 2010.

Drawing on the data of the Spanish Gross Domestic Product (GDP), measured as Gross Value Added (GVA) at constant prices, it is estimated that the sector's revenues account for 1.51% of the national GDP (similar to other sectors, such as metallurgy, telecommunications, IT consultancy or artistic, entertainment and recreation activities), with a slight decline since 2010 when it was 1.62%.

Table 11.
Total income and expenditure of TSSA, excluding singular entities. Years 2008, 2010 and 2013.

	Income Total (Million €)	Expenditure Total (Million €)
2008	€16,824.50	€15,519.00
2010	€17,467.50	€17,021.20
2013	€14,470.77	€13,919.67
Variation 08-13 (€)	€-2,353.73	€-1,599.33
Variation 10-13 (€)	€-2,996.73	€-3,101.53
Variation 08-13 (%)	-14.0	-10.3
Variation 10-13 (%)	-17.2	-18.2

The figures for TSSA revenue and expenditure provide an average result in 2013 of 3.8% (for every €100 of expenses €103.8 is earned), very similar to the figures obtained in 2010 (2.6%) and different from those recorded in 2008 (7.7%), which indicates that the accounts are sound in general. However, there are differences in terms of the budget volume.

Larger institutions (more than €1 million income) are the only ones with positive results, with a proportion of 5.7%. The remaining entities have a negative balance which becomes more intense as the size of the entity decreases. This way, institutions of up to €30,000 have a negative result of 4.4%, those from €30,001 to €300,000 have a negative result of 2.9% and those from €300,001 to €1 million have a negative result of 0.7%.

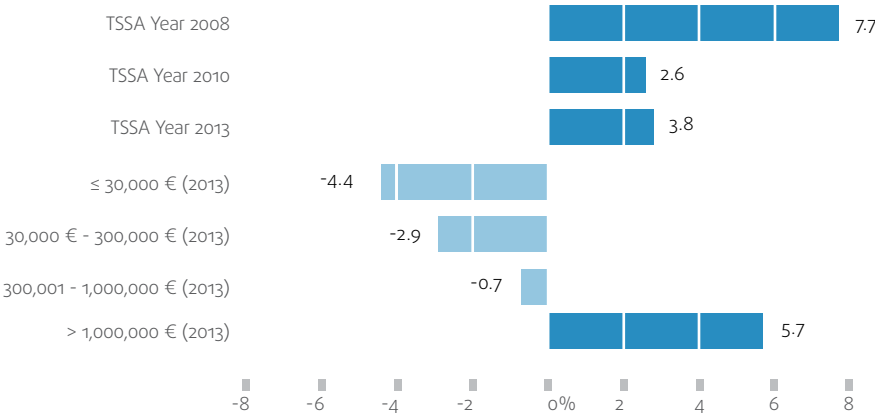


Figure 9.
Relative average result in TSSA entities. Years 2008, 2010 and 2013.

Relative result is the arithmetic mean of the results, which is obtained by calculating revenue minus the expenses divided by revenue and multiplied by 100.

Perhaps the most efficient management of large entities is done with specific devices for monitoring and controlling the activities that help them make management decisions in order to conclude the year without deficits. In the meantime, small entities have more difficulties, possibly resulting from the existence of more versatile staff members in structural positions, as they are not so used to adjusting expenses and due to the lack of monitoring and controlling activities. Further preparation of the management and the implementation of activity monitoring systems could be key to a less deficient management in the smallest segment of the social sector.

Diversification of income sources as a strategy for adapting to changes

Public funding remains to be the source of income accessed by most entities, with a proportion of 85.9%. However, private funding follows closely, falling just 1.3 points behind, with a proportion of 84.6%. The penetration of the channel of public revenues has dropped by 6.9 points since 2010 (92.8%). This decrease is offset by an increase of 5.4 percentage points in entities that get their own funding. Meanwhile, private funding is used by 71.7% of the sector, which is a figure that is very similar to 69.1% in 2010.

These results show, as in previous years, a sector strategy of diversifying the income sources. Meanwhile, it is public funding which provides by far the greatest volume, namely 55.3% of the revenues of the sector. It is distantly followed by the entities' own funding, which accounts for 25.3% of revenues, followed by private funding, which accounts for 19.4%.

In monetary terms, self-financing is the only channel that has grown in recent years. In 2013, it amounted to 3,700 million euros, an increase of 47% since 2008. Meanwhile, income from public sources was recorded at 8,000 million euros in 2003, a decrease by 22.4%, and income from private channels was recorded at 2,800 million euros, a decrease by 30.2%, both compared to 2008. Despite the efforts of the sector to obtain a greater volume of own revenues, an increase of 1,170 million euros since 2008 does not compensate for the drop of 3,500 million euros from the public and private channels together.

Table 12.
TSSA revenue volume estimates according to the financing channel. Years 2008, 2010 and 2013.

	2013 (millions of €)	2010 (millions of €)	2008 (millions of €)	var 08 - 13 (%)	var 10 - 13 (%)
Public funding	€8,002.34	€10,480.50	€10,313.42	-22.4	-23.6
Private funding	€2,807.33	€3,179.09	€4,021.06	-30.2	-11.7
Own financing	€3,661.11	€3,807.92	€2,490.03	47.0	-3.9
Total revenue	€14,470.77	€17,467.50	€16,824.50	-14.0	-17.2

Once more we can see the adaptation of the Third Sector of Social Action to the context of the crisis. In a period of decline in external revenues, and to meet the increased demand and social needs, it was decided to intensify efforts to compensate for these issues, at least partially, with the contribution of more own income. In addition, the persistence of the current scenario of cuts in social spending reinforces the need to continue to strengthen the contribution of other sources and, in particular, increase the diversification of sources in the private channel. However, the TSSA should continue to demand the public

sector does not reduce the amount of public funding required for the coverage of social problems.

Widespread decline in public channel revenues

Within the public channel, regional administration is the one that provides the most resources and it accounts for 47%. Next in line, though distant from the public channel, are the municipalities and their associations with 23.4%, the National State Administration with 16.4%, provincial councils with 7.4% and the European Union with 2.8%.

In 2013, the structure of public finance has undergone some changes since 2010, returning to a distribution more similar to the one of 2008. Regional governments, despite being the main providers of TSSA public revenues, have lowered their weight by just over 10 percentage points since 2010; in contrast, the weight of the National State Administration has grown by 6.4 points, and that of the municipalities has increased by 5.5 points.

Regional governments, which are the main public source, contributed with about 3,760 million euros in 2013, nearly 1,300 million euros less than in 2008, a decrease of 25.4%. Revenues from municipalities and their associations have not changed since 2008, with about 1,900 million euros. The National State Administration, despite its increase in the revenue structure of public sources, brings about 1,300 million euros, 17.9% less than in 2008, while it is true that its contribution has increased by 25.2% in the 2010-13 period.

	2013 (millions of €)	2010 (millions of €)	2008 (millions of €)	var 08 - 13 (%)	var 10 - 13(%)
Origin					
European Union	€224.07	€314.42	€567.24	-60.5	-28.7
Regional Government	€3,761.10	€6,005.33	€5,043.26	-25.4	-37.4
Provincial Council	€592.17	€911.80	€917.89	-35.5	-35.1
The National State Administration	€1,312.38	€1,048.05	€1,598.58	-17.9	25.2
Municipalities and their associations	€1,872.55	€1,876.01	€1,928.61	-2.9	-0.2
Other	€240.07	€324.90	€257.84	-6.9	-26.1
Nature					
Public contracts	€720.21	€1,289.10	€1,701.71	-57.7	-44.1
Agreements	€5,465.60	€6,592.23	€4,589.47	19.1	-17.1
Grants	€1,816.53	€2,483.88	€4,022.23	-54.8	-26.9
Sponsorships	--	€115.29	--	--	--
Total public channel	€8,002.34	€10,480.50	€10,313.41	-22.4	-23.6

Table 13.
Estimated TSSA revenue volume from public channels, according to its origin and nature. Years 2008, 2010 and 2013.

The decline of traditional private sources and the emergence of new ones

As for private financing, social works and foundations of saving banks provide a third of the income from the private channel (36.3%), being the source with the most weight, although they are clearly in decline with a loss of 7.6 points since 2010. In addition, in 2013, revenues from individuals account for 21.2%, foundations account for 17.8% and companies for 13.1%. The reduction of the weight of social work is largely absorbed by the increased weight of foundations, which has grown by 4.8 points in the 2010-13 period.

As for the revenue estimate based on different private sources, an uneven evolution is observed. The main (and traditional) sources have declined in recent years, and others whose volume are increasing have emerged. Thus, the sector receives about 1,019 million euros, 27% less than in 2010, from social work or foundations from saving banks, and in 2013, almost 600 million euros were raised from individuals, with a decline of 19.3%.

The decline of social works from saving banks is possibly motivated by the bank restructuring in the early years of the crisis: it is expected that this trend will continue, given the reduced number of savings and the restructuring of their social works.

Table 14.
Estimated TSSA revenue volume from private channels, according to its origin and nature. Years 2013 and 2010.

	2013 (millions of €)	2010 (millions of €)	Var 10 - 13 (%)
Origin			
Natural persons	€595.15	€737.55	-19.3
Companies	€367.76	€343.34	7.1
Foundations	€499.70	€413.28	20.9
Social Works	€1,019.06	€1,395.62	-27.0
Other	€325.65	€289.30	12.6
Nature			
Regular Donations	€345.30	€289.30	19.4
Sporadic donations	€592.35	€543.62	9.0
Private contracts	€84.22	€225.72	-62.7
Subsidies from private entities	€895.54	€1,004.59	-10.9
Contracts and sponsorships	€415.48	€454.61	-8.6
Membership fees	€474.44	€661.25	-28.3
Total private channel	€2,807.33	€3,179.09	-11.7

On the other hand, we have the companies and non-banking foundations which have increased in volume. Companies provide about 370 million euros, 7% more than in 2010, and the non-banking foundations provide nearly 500 million euros, a growth of 20.9%. In addition, donations are also on the rise; during the year 2013, some 937 million euros were donated, an increase of 12.6% compared to 2010, with regular donations being the ones which have grown the most, with 19.4% compared to the 9% growth in sporadic donations.

Upward trend of own revenues, with a potential for growth

The contributions comprised of the fees of the users and/or associates are the main source of income for this channel, accounting to 50.6% of revenues. The other half is shared between user fees for services (26.5%), sales of products (14.1%) and revenues and contributions of the promoter (8.8%).

The volume of own revenues estimated by source shows a clear increase in contributions from fees. In 2013, these account to about 1,900 million euros. The figure has been multiplied by 2.4 since 2008, and has grown by 18.9% since 2010. Meanwhile, income from assets or promoter contributions (322 million euros) show a recovery following the decline produced between 2008 and 2010 and are 12.8% higher than 2010. Product sales at 516 million euros have hardly changed since 2010, after the growth experienced in the 2008-10 period. Finally, income from the payments of users for services has reached about 970 million euros and have dropped by 33.3% since 2010, after the growth experienced in the 2008-10 period.

	2013 (millions of €)	2010 (millions of €)	2008 (millions of €)	var 08 - 13 (%)	var 10 - 13(%)
Sources					
Fees or users and/or collaborating entities	€1,852.52	€1,557.44	€537.85	244.4	18.9
User fees for services provided	€970.19	€1,454.62	€1,098.10	-11.6	-33.3
Product sales	€516.22	€510.26	€428.28	20.5	1.2
Equity income or promoter contributions	€322.18	€285.59	€425.79	-24.3	12.8
Total own channel	€3,661.11	€3,807.91	€2,490.02	47.0	-3.9

Table 15.
TSSA revenue volume estimates based on own channel. Years 2008, 2010 and 2013.

An optimistic view of the future

When making predictions, TSSA entities are quite cautious. The idea of maintaining the funding sources is widespread, although a greater optimism is observed compared to 2011. Therefore, it is likely that a turning point has been reached within the sector. 61.7% of entities in the sector think that public funding will be maintained or will increase over the next two years, a third more than in 2011. 27.3% believe that private channel revenues will increase, which is 19.4 points higher than in 2011. 32.5% believe that local revenues will also grow, which is 13.9 points higher than four years ago. And 23.4% believe that the number of regular donors will rise, which is 16.2 points higher than in 2011.

o8 Management and planning adapting to the new times

The variations in the implementation of plans are explained by the growth of volunteerism and the decline in employment

The development of an effective strategic management is increasingly important for Third Sector organisations. The plan that is present in the largest number of entities (62.2%) is called the annual operating plan. Secondly, we see the plan regarding the prevention of labour risks (60%) and the following positions are taken up by four plans, also with a large level of presence in the sector: the volunteer management plan (56.5%), the internal communication plan (54.2%), the strategic plan (51.9%) and the training plan (51.1%).

	2015	2011
Annual operating plan	62.2	68.7
Plan regarding the prevention of labour risks	60.1	69.6
Volunteer Management Plan	56.5	47.7
Internal communication plan	54.2	56.7
Strategic plan	51.9	49.9
Training plan	51.1	60.5
Information management plan	46.0	48.8
External communication plan	43.6	44.2
Plan regarding the management of human resources	40.3	47.8
Transparency Plan	34.3	*
Protocol of non-discrimination and/or promotion of equality	32.7	33.3
Plan regarding material resources and facilities	32.2	34.8
Participation plan	31.8	30.3
Environmental management plan	15.7	17.2
Marketing plan	13.0	11.8

Table 16.
Percentage of
TSSA entities that
have implemented
management plans,
according to their types.
Years 2011 and 2015.

* The transparency plan has only been requested in 2015.

Regarding the results obtained in 2011, the comparison of the data shows a significant increase in the presence of the volunteer management plan, with a growth of 8.8 points. The proportion of entities that have a plan regarding the prevention of occupational risks (-9.5 points), training plan (-9.4), and a plan regarding the management of human resources (-7.5) has dropped significantly. Certainly, behind these changes is the increase of volunteerism and its growing impact on the operational actions as well as the drop observed in paid employment in the sector (excluding the singular entities).

The implementation of quality standards, a pending case

In 2015, the number of entities including quality systems for their management has grown stronger. In total, only 36% of entities have some system or quality standard, similar to the figure of 35.1% obtained in 2011, and higher than the figure of 16.5% obtained in 2009. The entities with the greatest amount of income are those that have the highest penetration rates of quality standards. Normally, the implementation of quality models requires an investment that can be difficult to assume, even more so at this time of budget adjustments.

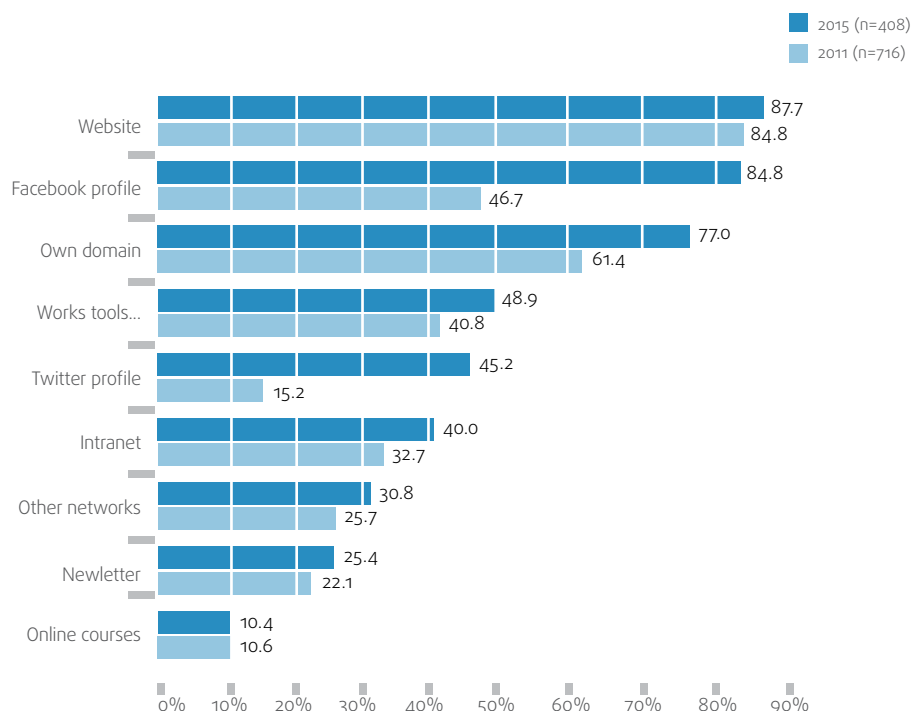
A clear commitment to digital communication

By looking at the impact that the implementation of Information and Communication Technologies (ICT) has had on the TSSA and the uses created by TSSA for these technologies, we see that their presence has increased compared to 2011. Website use is widespread in the sector and most entities already have their own domain. The percentage of entities that have Facebook profiles has almost doubled and the percentage of entities that have a Twitter profile has tripled (from 15.2% in 2011 to 45.2% in 2015)

There is a clear commitment from the sector for marketing and *online* communication, possibly motivated by the budgetary constraints of the period, though this is not the only reason. The digital transformation is already happening throughout the whole economy of the country, and increasingly more organisations are considering the value of digital strategy. For instance, according to the "Survey on the use of ICT and E-commerce in companies" (INE), the proportion of companies using social networks increased from 29.1% in 2013 to 39.2% in 2015. In addition, it is also possible that the sector has become involved in recent years in social movements linked to technologies, such as 15M and post-15M mobilization.

However, it is not possible to say for sure that the sector is fully integrated into the process of digital transformation. On the one hand, there is lack of information on the tools used in its operational and management processes and, on the other hand, the comparison of these results to official statistics is not possible due to methodological issues. A specific diagnosis on the use of ICT in the sector would provide the keys to recognise if it is effectively at the forefront, or, on the contrary, it is caught up in a digital divide.

Figure 10.
Percentage of TSSA entities that have the following technological tools. Years 2011 and 2015.



Relations with public administration, a dialogue for consolidation and the participation in regulation with few results

09

The dialogue with public institutions, pending consolidation

By asking entities to what extent the Public Administration consults the TSSA for policy development on a scale comprised of “no consultation, little consultation, considerable consultation or a high level of consultation”, we see that 9.3% believe that management does not consult anything, and that 64.7 % believe it consults “little”.

In addition, 40% of TSSA entities confirm that they have been consulted in the past three years by the management to participate in the development of a public policy. Normally, this is a long process, in which more than half of the participating entities (55.6%) confirmed conducting a “considerable amount” of monitoring regarding development, with respect to the last participation. However, this monitoring does not correspond to the contributions made by institutions, as 51.8% believe that their contributions were ultimately incorporated “little”.

The regulations unknown by the entities and inadequate to their reality affecting the sector

The entities have been interviewed on the appropriateness of various regulations to the specificities of TSSA via the following rating scale: 1 not appropriate 2 not very appropriate, 3 considerably appropriate 4 very appropriate. The first aspect of the results of the survey that strikes our attention has to do with the high percentage of blank responses obtained, which can give an idea of the existing ignorance about these standards within the sector. The results relating to the regional regulations are especially significant since more than half of the entities

are unaware of the laws or regulations that govern or affect their activities in their Autonomous Community of reference.

The analysis of the adequacy of the regulations for the sector can be gathered from the average results on a scale of 1-4, excluding the blank responses. Thus, the regulations that the entities consider more appropriate to the specificities of TSSA are at the state level, though with low average values. More specifically, we see the Subsidies Act with 2.36 points, tax legislation with 2.31 points, the Law of Patronage with 2.3 points and the Draft Law on Volunteering with 2.28 points.

Table 17.
The proportion of entities according to the perception regarding the extent to which the REGULATION is suited to the needs of the sector. Year 2015.

	Not appropriate 1	Not very appropriate 2	Considerably appropriate 3	Very appropriate 4	Dk/Da	Scale (1-4)
Draft LEGISLATION						
Draft legislation on volunteering	4.4	49.6	25.1	0.7	20.1	2.28
Draft legislation on the Third Sector of Social Action	9.8	46.6	22.6	0.7	20.3	2.18
State Regulations						
State law on subsidies	6.1	37.0	19.9	5.2	31.8	2.36
Other fiscal regulations	6.5	32.1	16.5	4.0	41.0	2.31
State law on patronage	8.8	33.8	20.0	4.3	33.1	2.30
State law on transparency	7.9	37.8	18.0	3.8	32.6	2.26
Regional Regulations						
On subsidies	4.8	26.4	12.1	1.3	55.4	2.22
On transparency	5.8	21.0	11.1	1.7	60.5	2.22
Others of fiscal nature	7.1	24.3	6.7	2.2	59.8	2.10
On patronage	8.3	24.8	7.3	2.2	57.3	2.08

The regulation must have the dynamism of the sector

The vitality of TSSA and the variety of its actors and legal personalities involved, as well as the changing situation of social demands, bring along an enormous difficulty for the TSSA to establish a unique regulatory framework for itself. Consequently, the legislation should be flexible and adapted regularly to the sensitive and dynamic nature of the sector.

The definition of TSSA can indeed include a typology of typical units operating in the sector, taking into account the reality of the sector, as reflected very recently

by the Law numbered 43/2015 and dated October 9, on the Third Sector of Social Action. Meanwhile, it has to incorporate open and general definitions that do not restrict the possibility of integrating new agents into the TSSA.

The regulation must promote dialogues and the participation of the sector in the legislative processes that affect these new agents, from the design phase up to the implementation and monitoring phases, including both the sectoral legislation and the legislation related to the causes they advocate. In this regard, the Law numbered 43/2015 normalises and regulates the role of the TSSA, thus moving from a simple consultation in drafting the regulations to an effective participation in the supervision and implementation of these regulations, even to the point of making Public Administration respond to the regulatory requests of the TSSA. However, TSSA should include in its daily activities the application of regulatory changes in social policies, based on their monitoring and evaluation.

In addition, TSSA must contribute its knowledge and experience to modulate the sectoral and common regulations in the field of social action. In particular, we must reverse the adjustment policies, reconsider the importance of local authorities in the configuration of such policies and try to agree on the minimum levels of social provision in Spain in general, coordinating the various policies of the autonomous communities in this area in a better manner, in terms of the regulations for social action and social services, which form the core values of TSSA.

With regard to the subsidy regime, we must simplify the processing period for small TSSA entities, standardise the conditions of access to public aid throughout the national territory and prevent financial imbalances between the granting of subsidies and their actual payment. In addition, with regard to public procurement, the special problems of the sector must be taken into consideration when developing public procurement based on the transposition of the new European directives on the matter, such as the reduction of compliance costs for small TSSA entities.

The opportunity cost in meeting the demand 10

Difficulty in coping with possible regulatory and political changes

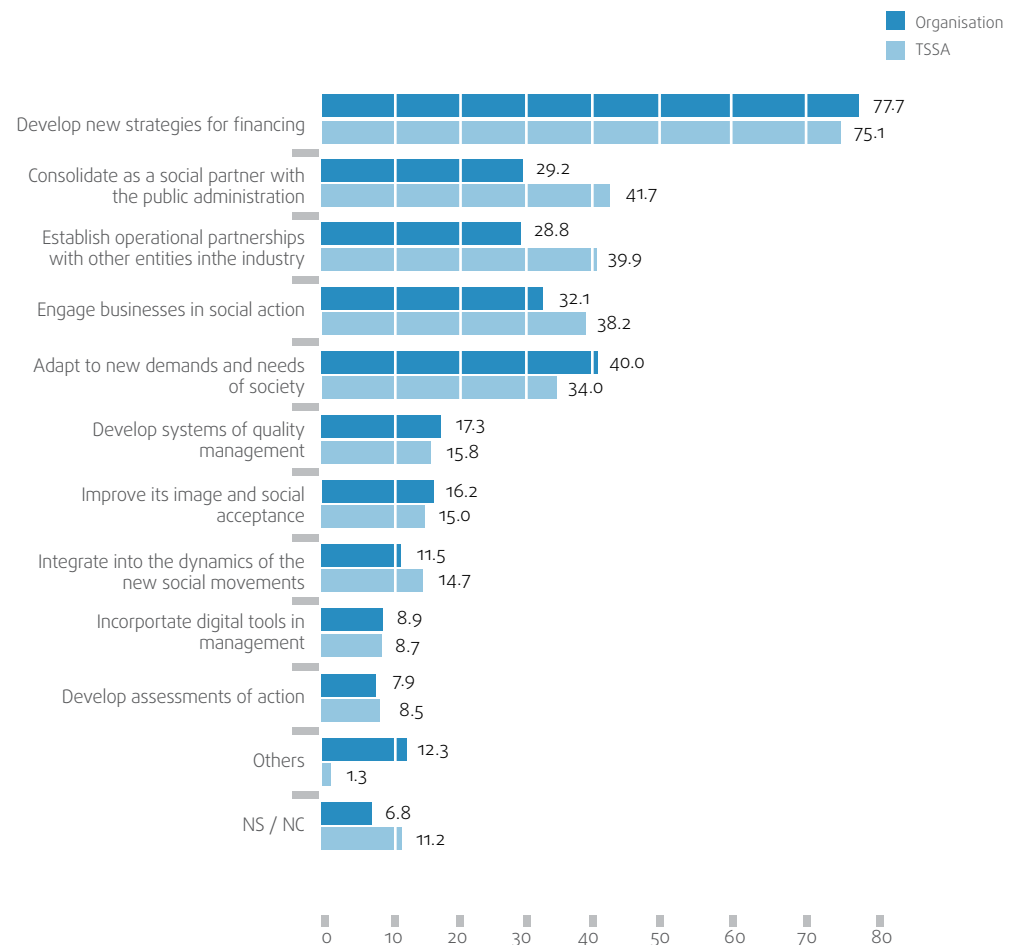
Virtually all of the entities of the Third Sector confirmed in 2015, in line with previous years, that they were prepared to adapt to the changes that may occur in the demands of the beneficiaries. However, the percentage of entities that

considered themselves ready to adapt to regulatory changes (77.1%, which is 13.4 points lower than in 2011) or changes of a political nature (71.8%, which is 19.5 points less) has declined over the previous years. Therefore, it is possible that the opportunity cost for the effort to meet the changes in demand is the loss of ability to adapt to regulatory and political changes.

Strategic development remains in the background

When the entities were asked about the challenges of their organisation and the sector as a whole, mainly new strategies for funding have been reported, with 77.7% concerning the entity, and 75.1% concerning the sector. When it comes to the sector, the challenge of financing is followed by the adaptation to the new demands and needs of society with 40%, the need to involve companies in social action with 32.1%, turning the Third Sector into the main social interlocutor with the administration with 29.2%, and the establishment of operational partnerships with other entities in the sector with 28.8%. When it comes to the organisation, it is followed by building partnerships among the entities of the sector (39.9%), engaging companies in social action (38.2%) and continuing to adapt to the new demands and needs of the society (34%).

Figure 11. Percentage of entities according to the challenges facing their organisation and the TSSA as a whole for the coming years (n=408). Year 2015.



Some gaps between the challenges relating to the sector and those relating to entities strike our attention. The most important challenges lie in consolidation as a social partner with management, where the sector data is 12.4 points higher; the establishment of operational partnerships between institutions, whose figures are 11.1 points higher than the figures for the sector; and the involvement of companies in social action with 6.1 points more. On the opposite side, adaptation to the new social demands and needs is 5.9 points higher when we look at entities. These differences could be due to a functional division of labour between what the entities do, and what the sector does. While organisations are closer to social action, the sector corresponds to more institutional tasks.

However, it is true that the sector is made up of a set of entities, which perform the adjustment according to the demand as the second challenge of their organisations and the fifth when it comes to the sector. In other words, if it is fit for the sector to meet the challenges of consolidation, such as social dialogue, operational partnerships and the involvement of companies, the entities could be leaving these issues for their organisations in the background. In this sense, it could be inferred that the opportunity cost in the entities for the intensification of efforts in adapting to the demand is observed in less developed stages of strategic issues (dialogue, partnerships and companies), which deposit it in institutions of sectoral representation.

Conclusions 11

The Third Sector of Social Action brings significant value to the Spanish society, due to its role in making the civil society dynamic and mobilised, the values it defends and transmits, and by meeting social needs, among others. All this is an important part of the welfare system and, by understanding the sector as part of the production network, one must attach value also to the position it holds in economic development and job creation in Spain.

In 2013, the sector performed around 53 million cases of direct care, thanks to the work of 645,000 payroll staff (not counting the 568,000 singular entities), and about 1.3 million volunteers (980,000 if we do not count the singular entities), managing revenues of around 14,470 million euros and an expenditure of about 13,900 million euros. Its contribution to GDP is 1.51%, reaching up to other major economic sectors such as metallurgy, telecommunications or artistic, recreational and entertainment activities. Approximately 1 out of 20 people employed in the Spanish State work in TSSA, and the sector accounts for half the employment in "health and social work activities" (CNAE-2009).

Due to the economic crisis, the social sector has lost the previous volume of revenues, expenses, and employment, excluding singular entities. However, it has gained importance for the economy. Although the contribution to GDP has remained the same in recent years, the weight of employment within the Spanish labour market has grown steadily. Therefore, we should not only attach value to the work of social organisations, which is no doubt very important, but also to the position it deserves in the productive economy.

The crisis has affected the sector, and possibly also economic recovery, in a belated manner. The Spanish economic cycle since 2007 up to now describes a sequence of "W" in terms of the inter-annual change of GDP, where the TSSA, as a productive sector, has experienced the consequences one or two years later.

The first phase of the crisis in Spain occurred between 2007 and mid-2009, with a sharp drop in GDP (reaching negative inter-annual variations) and employment along with a rapid increase in unemployment. This is the time of the financial crisis and bank restructuring, with a loss of employment, which particularly affected the disadvantaged social groups (immigrants, young people, low-skilled employees, etc.). Since the second half of 2009 until the end of 2010, a slight recovery occurred in Spain, with the positive recording of an inter-annual GDP change. This is known as the time of "green shoots".

At that stage, the TSSA was far from being immersed in a situation marked by recession, with increases in income, expenditure, employment and volunteering. This growth has allowed the satisfaction of a rapid demand increase, with user and beneficiary profiles similar to those the sector was used to during the good times. The fact that at this time the sector managed to grow in resources results from the significant weight of Public Administration in its revenue structures, given that social spending cuts had not yet occurred at these times yet. However, the decline in funding from the social works of the saving banks, led to the implementation of new funding strategies by way of raising equity income.

During the years 2011 and 2012, Spain went back into the recession, but with far less intensity than it had at the beginning of the crisis. This is the period of greatest intensity in the cuts and it is when the further erosion of the Spanish middle class occurs. From 2013 to nowadays, the country entered a phase of recovery, slower than the one that occurred before, reaching positive inter-annual values in GDP changes since early 2014.

At this stage of the Spanish crisis, TSSA continued to respond to the rapid and steady growth of social needs, but with two basic elements that defined this time. First, we see a significant decrease in revenues from public administrations, as a result of the policies of cuts in social expenditure. Second, we see a change in the profile of the beneficiaries, possibly even among those in the eroded middle

class, with new problems and demands, such as housing and improved childcare. The sector responds to these demands by continuing to collect its own resources (mainly monetary resources and volunteers), and trying to open up new sources of income in the private channel, such as the business world.

In all these years of crisis, the TSSA has played a decisive role to cushion the deterioration of social cohesion. In 2013 10.8 million more cases of direct care were performed compared to the recorded figure in 2008, an increase of almost 30%. Such a fact provides evidence to this situation. It is something that happened despite the policies of cuts in social expenditure, given that there was 14% lower revenue. This is why, from an economic point of view, being a sector dependent on the administration can be a constraint for development. In 2013, the main source of income came from Public Administration, amounting to more than half of the total revenue, and it was therefore not surprising that the main challenge was to develop new funding strategies for about 80% of the entities.

In fact, new strategies are already being implemented through a greater diversification of revenue sources. As expected, the policies of cuts have caused a significant decline in revenues from the public sphere; hence, it is a challenge for the Third Sector to maintain social expenditure, at least on the same terms as before the crisis.

Meanwhile, there is a decline in traditional private funding sources, such as social works from saving banks, but new ones without even a clear connection to the sector are emerging, such as companies. While the traditional private funding sources have experienced a significant monetary decline in the recent years, the new ones have clearly grown, though without having an important weight in the structure of sector revenues yet.

Most of the efforts have been made in acquiring own income, which already increased at the time of the previous political crisis with the policies of cutting social spending (2008-10), and which remains stable at the time of cuts (2010 onwards). The growth of this source responds more to the compensation for the fall in revenues of social work (already recorded in the first part of the crisis) than to a reaction to the cuts. Therefore, the question is how to return to previous levels of income if the social spending of the government does not recover, or recovers slowly.

It is important to ask this question, not only for the economic sustainability of the sector, but also because TSSA is possibly in a cyclical change, and even a change of paradigm. As we have already mentioned, the crisis has produced a sharp and rapid increase in direct care, the volume of which has slowed down since 2010. Therefore, it is possible that the quantity challenge is more or less being covered. However, in a new hypothetical scenario where the administration is

not the main channel of income and competes with the market, the challenge of service quality is important, not only to provide better care, but as an element to consider in communicating with society, which encourages the channelling of other funding sources.

In this sense, the implementation of quality standards is an issue waiting to be solved. Only 36% of entities have some system or standard of quality (stable data since 2011). In addition, more support in volunteering as an adaptive strategy to the current scenario of increased social demand and lower financial resources and paid work could be seen as a risk for the loss of professionalisation in the sector.

In this sense, volunteering has grown by 18.3% since 2010, and the proportion of the people that spend more than 5 hours per week has increased from 39.8% in 2010 to 43.6% in 2013. Volunteering, which focused more on intervention and lost prominence in the management and decision-making processes of entities in the first phase of the crisis, is now recovering the role it had in these areas at the time of prosperity, regardless to its direct intervention activity.

The volunteers should have the appropriate training to perform the job entrusted to them in order to ensure reaching the minimum standards of quality in social intervention. However, the proportion of entities that train these people has declined in recent years. A volunteer management increasingly focused on the qualifications of these people has a direct relationship with the challenge of quality in the activities of the sector. It would not hurt to integrate volunteerism into the overall management of human resources, establishing all necessary measures for the development of these people, and the compliance with organisational strategy. Perhaps at this time, volunteering is the most fragile of the efforts made by organisations to adapt to new social demands and the new profiles of beneficiaries.

This adaptation is seen in the emergence of new fields of action, such as housing, the intensification of activities related to integration and inclusion, as well as increased attention to social groups most negatively affected by the crisis, such as children. This adaptability has occurred quickly in time, which can only be explained by the accumulated experience (60% of the entities have at least 20 years of existence), the close relationship that entities have with society (8 out of 10 institutions working at the regional, provincial or local level), and the network organisations that has been consolidated (80% of organisations have connections with one another).

However, efforts towards meeting the demand leave other more strategic issues which were already at the frontline of discussions at the time of economic boom in the background. These issues are particularly those related to external rela-

tions, the ability to adapt to the regulatory amendments and policy changes, the consolidation of the sector as the interlocutor agent of civil society, operational partnerships between institutions, the creation of a new funding model, and the involvement of companies in social action. Some of these issues are perceived by entities as challenges for the sector and not for themselves as organisations. This leaves a clear work space for institutions of sectoral representation, whose challenge is to reconcile a sector that is increasingly polarised between large entities and small and medium entities.

Small and medium entities are categorised in terms of income, employment, or volunteers, among other characteristics. These entities, which typically have less relationship space with Public Administration, both in terms of political participation and revenue collection, now have negative economic results (meaning that they spend more than their income), and have less adaptation capacity for the times of budgetary adjustment. The challenge of this segment is its further professionalisation, and all that the said professionalisation implies (quality standards, evaluation of the action, social marketing, fundraising, digital transformation, etc.)

In turn, the larger entities, with a higher incidence of public funds in their structure of income have more space for participation in public policy development and have a more professional structure, which has allowed them to adjust their expenses at this time marked by lower income levels. The role of large entities will be to lead, together with the institutions of representation, the strategic issues in the sector and to support the transition to the definitive professionalisation of small and medium-sized entities.

