

Seminar in Wien : « Citizenship, social involvement and volunteering » University of Wien, 17th of April, 2007

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Selected literature in the field of third sector by Prof Dr Christoph Reinprecht:

Stolle (Dietlind), "The sources of social capital", in Hooghe (M) and Stolle (D), *Generating Social Capital*, Palgrave mcMillan, New York, 2003



Definition

Non-profit organisations : sum of private, voluntary and non profit organisations and associations ; sometimes referred to as the "third sector" as opposed to the public sector and the private sector

Notions associated

- Charity: individual benevolence and caring; it includes relief of poverty, helping the sick, disabled and elderly, supporting education, religion and cultural heritage;
- Philanthropy: practices of individuals reflecting a "love of humanity" and the
 voluntary dedication of personal wealth and skills for the benefit of specific public
 causes; it refers to private efforts to solve common social problems such as poverty or
 ignorance;
- Volunteering: the donation of time for a wide range of community and public benefit purposes such as helping the needy, distributing food, serving on boards, visiting the sick, or cleaning up local parks;
- Giving: donation of money and in-kind goods for charitable and other purposes of public benefit to organisations such as the Red Cross or religious Congregation, or to specific causes such as HIV/AIDS, cancer research, or humanitarian relief;
- Social capital: sum of actual and potential resources that can be mobilised through membership in organisations and through personal networks; people differ in the size and span of their social networks and number of membership.

Different levels of action

- Local level: non profit organisations have become part of community-building and empowerment strategies; policy makers, rural and urban planners use non profit and community organisations for local development and regeneration with representatives of local non profit groups sit next to political party leaders, business persons, and local politicians;
- National level: non profit organisations are increasingly involved in welfare, health care, education reform, and public-private partnerships;
- International level: rise of international non-governmental organisations (INGOs) and expanded role in the international system of governance; their number has increased from 13 000 in 1981 to over 47 000 in 2001;
- Global level: emergence of a global civil society and transnational non profits of significant size, with complex organisational structures that span many countries and continents:
 - example 1: Amnesty International with more than 1 million members, subscribers and regular donors in over 140 countries
 - example 2 : the Friends of the Earth federation with 5 000 local groups and 1 million members
 - example 3 : Care International with 10 000 professionals



Different approaches / definitions

• Legal definitions: to achieve legal personality, an association must be registered in some association registry which depends on the country's administrative system. It is typically maintained either locally at city or county courts or nationally at the Ministry of Interior or an equivalent government department

To register, an association must pursue a non commercial objective, have a specified minimum number of members, a charter, and a governing board

The legal definiton makes clear the implicit assumption about the purposes and objectives of non profit organisations

- Functional definition: the functions or purposes that organisations in this sector carry out for instance "he public interest" or "public purposes"; at its core the notion that non profit organisations are identifiable by their financial behavior, in particular their lack of a financial profit motive or restriction of profit distributions public benefit integrates the following criteria: public well-being in material, spiritual and moral spheres, charitable and benevolent activities to support persons in need and unable to care for themselves, non profit purposes
- Economic definition: the key feature sets the non profit sector apart from the others because its revenue structure is non profit oriented; non profit institutions (NPIs) do not receive the bulk of their income from the sale of goods and services in the market or through taxation but from the voluntary dues and contributions of their members and supporters; this definition focuses on the common characteristic that they do not distribute their profits this definition is used in the System of National Account of the United Nations (1993) "Non profit organisations are legal or social entities created for the purpose of producing goods and services whose status does not permit them to be a source of income, profit, or other financial gain for the units that establish, control or finance them."
- The structural-operational definition: an organisation is defined as a non profit entitity if it shows the following five characteristics:
 - 1) organised i.e institutionalised to some extent; it means some institutional reality (regular meetings, officers, rules of procedure, or some degree of organisational permanence); also some recognised difference between members and non members
 - 2) private i.e institutionally separate from government but they may receive support in cash or in kind; it may exist "quangos" i.e quasi non governmental organisations that operate as extensions of governments
 - 3) self-governing i.e equipped to control their own activities: organisations must have their own internal governance procedures and enjoy a meaningful degree of autonomy; the question is the degree of authority
 - 4) non-profit distributing i.e not returning profits generated to their owners or directors: it means that they are not primarily guided by commercial goals and considerations



5) voluntary i.e involving some meaningful degree of voluntary participation; this involves two different but related poins: first the organisation must engage volunteers in its operations and management either on its board or through the use of volunteer staff and voluntary contributions; second, voluntary means "non-compulsory" membership should not be required or stipulated by law

Specific types – the so called "social economy" (French perspective)

1) voluntary associations: private, membership-based organisations in which membership is non compulsory. The association should have identifiable boundaries to distinguish members from non members

Modern form of the voluntary organisation emerged in most Western Countries in the 19th century during the industrialisation period : rise of urbanisation, a growing middle class, an expanding working class.

The right of association had become established: the Law of 1901 in France and civil law legislation in other European countries

In France, an associational boom has increased the number of associations to 900 000 in the early 2000 (40% of Frenchs belong to associations); in Gemany associational density has tripled since 1960 (2/3 of Germans belong to associations)

2) foundations

the modern foundation is associated with the large grant-making foundation in te US in the early 20th century and its replication in many European countries after World War II

the basic concept of a foundation shares common images: a separate, identifiable assset donated to a specific purpose usually public in nature

5 core characteristics: non membership based organisation; an original deed (charter of incorporation or establishment); private entity institutionally separate from government; self governing entity equipped to control its own activities in terms of internal governance procedure; non-profit distributing; serving a common purpose

3) faith-based organisations (FBO)

They have been particularly important in the social policy debate of the 1990s and the beginning of the 21st century because they are called upon to play a even larger role in certain European countries in the solution of society's problems

FBO are specialised organisations formed by church clergy to help meet the human service needs of its congregation



They perform a wide range of functions from operating homeless shelters, food banks, and neighborhood centers, to running job training and transportation programs

4) cooperatives or cooperative societies:

they are organisations formed freely by individuals to pursue the economic interests of their members

basic principles : democratic control i.e one person, one vote ; shared identity i.e members are both owners and clients ; orientation to provide services to members "at cost"

in Italy, you are the so-called "social cooperative" for instance for taking care of handicapped people (mostly funded by the parents of handicapped people)

5) mutual societies

like cooparatives, organised by individuals seeking to improve their economic situation through collective activity

they differ from cooperatives as they have mechanisms for sharing risk, either personal or property, through periodic contributions to a common fund

examples: retirement, sickness, burial funds, savings and loan associations

6) self-help groups

individuals join to accomplish goals of mutual support that would be unattainable on an individual level

examples : in Canada, self group for victims of sexual abuse, or violent husbands or parents of people suffering from AIDS

Austrian background

Environment of voluntary work: in which types of organisations do people volunteer? NPOs / Associations in Austria

Especially in rural areas the activities of associations ("Vereine") are very important for life in the community. There are many different types of associations in all areas (culture, sports, social services etc.).

For example in the province of Lower Austria (Population 1.5 million) there are 17.325 "Vereine" (that is about one for 100 inhabitants). Many of them are run only by volunteers (in Lower Austria 85% of smaller associations). In all of Austria (population 8 mill.) there are app. 100.000 associations.

In Austria there is a tradition of large Voluntary Organisations providing *social services*. Many of these organisations have relied on volunteers to provide parts of their services.



However, with the increase of professionalisation in these areas it is becoming more difficult to define the roles of volunteers in social services. According to the principle of subsidiarity, social services (care for the elderly, people with disabilities) are regulated by Provincial Laws ("Landesgesetze").

An Austrian specificity is that many non profit organisations and associations are affiliated to the two large political parties. This goes for providers of social services, senior and youth organisations as well as sports organisations.

Apart from that a large amount of volunteering takes place in organisations affiliated to the (mostly catholic) church. Also, there are many volunteers in political parties and trade unions.

Most large NPOs are organized federally. There is usually a national umbrella organisation and 9 provincial organisations, whereby the actual decision-making usually takes place on provincial level. Most of these organisations in addition are also organized on regional and local level. Some of these regional and local organisations are registered as associations in their own right.

Approximately 200.000 people are employed by non-profit organisations in Austria. 52% of these are in the social sector, 20% in the area of education and research and 10% in the area of health.

Funding varies depending on size and area of activity. Income sources are (as in France) membership dues, donations and sponsorhip, public subsidies and income from own activities and services.

Also, depending on size and activity, the quantitative relationship between volunteers and paid staff varies greatly. In some cases, associations are only run by volunteers, in other cases paid staff work for a committee which is made up of volunteers.

Links with Public Sector

On the Local Level

The local level is very important. Here networking and promoting no profit sector mostly happens at an informal level. Associations play an important role in the life of the communities. Very often the mayor of a town or village has functions in several organisations. Sometimes associations can use rooms and infrastructure of the community council or of the local school. Sometimes communities also provide funding for associations.

On the Regional Level / Austria Bezirke

This level is relevant for administrative purposes. All administrative steps taken to found an association are done through the so-called "*Bezirkshauptmannschaft*". However, their role is solely administrative. Associations can not get advice or information through this agency.

On the State /Provincial (Länder) - Level

The provincial governments can provide subsidies for associations.



On the National Level

The Department for Internal Affairs (*Innenministerium*) is responsible for all issues concerning associations. The administrative body concerned with associations is also called "Vereinspolizei" (Associations police). any national structure for volunteering. Kompetenzzentrum in erster Linie / Innenministerium – Arbeitskreise Nationales Jahr, einzelen Studien in Auftrag gegeben

National funding for associations and non-profit organisations is provided by the departments pertaining to the area of work (e.g. culture, environment, social affairs etc.). There are no funding programmes specifically geared towards volunteering.



Annex

International classification of non profit organisations (ICNPO)

Basis: the International Johns Hopkins program « Comparative Non profit sector »

Adopted by the United Nations Handbook on Non Profit institutions (UN, 2002)

Group 1: Culture and Recreation

- o culture and arts
- o sports
- o other recreation

Group 2: Education and research

- o primary and secondary education
- o higher education
- o other education
- o research

Group 3 : Health

- o hospitals and rehabilitation
- o nursing homes
- o mental health and crisis intervention
- o other health services

Group 4 : Social services

- o social services
- o emergency relief
- o income support and maintenance

Group 5 : Environment

- o environment
- o animal protection

Group 6: Development and housing

- o economic, social, and commnity development
- o housing
- o employment and training

Group 7: Law, advocacy and politics

- o Civic and advocacy organisations
- o Law and legal services
- o Political organisations

Group 8: Philanthropic intermediaries and voluntarism promotion

Group 9: International



Group 10: religion

Group 11: Business and professional associations, unions

Group 12 : Others