



Project Q3.eu

Position Paper





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PREAMBLE: The EU Perspective on the Social Economy, the Third Sector, and social enterprises

The social and economic phenomenon that the Q3.eu Project partnership addresses in this position paper is widespread and in evident expansion across the EU.

Several terms are used in this document as we know there is no common definition on “social economy”, as well as the scientific concept linked to it, is not unambiguous across all EU countries – or even within a country in some cases – usually coexisting with other terms and similar concepts.

The purpose of having this preamble is to shed light on the diversity of concepts and terms that exist in Europe to refer to this phenomenon:

- Social Economy;
- Third Sector;
- Non-Profit Organizations
- Social enterprises

Social Economy

From the report drawn up for the European Economic and Social Committee by the International Centre of Research and Information on the Public, Social and Cooperative Economy– published quite recently, in 2012, we get the statement that: “as an activity, the social economy (SE) is historically linked to popular associations and cooperatives, which make up its backbone. The system of values and the principles of conduct of the popular associations, reflected in the historical cooperative movement, are those which have informed the modern concept of the SE, which is structured around three large families of organisations: cooperatives, mutual societies and associations, with the recent addition of foundations. In reality, at their historical roots these great families were interlinked expressions of a single impulse: the response of the most vulnerable and defenceless social groups, through self-help organisations, to the new living conditions created by the development of industrial capitalism in the 18th and 19th centuries”. (CIRIEC, 2012)

Although the SE was relatively prominent in Europe during the first third of the 20th century, the growth model in Western Europe during the 1945-1975 period mainly featured the traditional private capitalist sector and the public sector. This model was the basis of the welfare state, which addressed recognised market failures and deployed a package of policies that proved highly effective in correcting them: income redistribution, resource allocation and anti-cyclical policies. All of these were based on the Keynesian model in which the great social and economic actors are the employers’ federations and trade unions, together with government. Spectacular growth of the SE has taken place in the field of organisations engaged in producing what are known





as social or merit goods, mainly work and social integration as well as social services and community care. In this field, associationism and cooperativism seem to have reencountered a common path of understanding and cooperation in many of their projects and activities, as in the case of social enterprises, many of them cooperatives, which are already legally recognised in various European countries.

In recent decades, the SE has not only asserted its ability to make an effective contribution to solving new social problems, it has also strengthened its position as a necessary institution for stable and sustainable economic growth, fairer income and wealth distribution, matching services to needs, increasing the value of economic activity serving social needs, correcting labour market imbalances and, in short, deepening and strengthening economic democracy.

The SE sector can be seen as a part of the economy that is made up of private organisations that share four characteristic features: “a) the objective is to serve members or the community, not to make a profit; b) autonomous management; c) a democratic decision making process; and d) the pre-eminence of individuals and labour over capital in the distribution of income”. (CWES Report, 1990). The SE has also been recognised in political and legal circles, both national and European, although there still exists some institutional invisibility of the social economy in present-day societies what it is at odds with the increasing importance of the organisations that form part of the SE (EESC, 2009). This is linked with the lack of expression of SE economic activity results on national accounts systems, rooted in the mid-20th century, only having developed tools for collecting the major national economic aggregates in a mixed economy context with a strong private capitalist sector and a complementary and frequently interventionist public sector. Logically, in a national accounts system which revolves around a bipolar institutional reality there is little room for a third pole that is neither public nor capitalist, while the latter can be identified with practically the entirety of the private sector.

A further reason for the institutional invisibility of the social economy referred to above is the lack of a clear, rigorous definition of the concept and scope of the SE that could usefully be employed by the national accounts systems. Such a definition needs to disregard legal and administrative criteria and centre on analysing the behaviour of SE actors, identifying the similarities and differences between them and between these and other economic agents. At the same time, it needs to combine the traditional principles and characteristic values of the SE and the methodology of the national accounts systems in force to create a single concept that constitutes an operative definition and enjoys broad political and scientific consensus, allowing the main aggregates of the entities in the SE to be quantified and made visible in a homogeneous and internationally standardised form.

Accordingly, the following working definition of the SE was proposed:





The set of private, formally-organised enterprises, with autonomy of decision and freedom of membership, created to meet their members' needs through the market by producing goods and providing services, insurance and finance, where decision-making and any distribution of profits or surpluses among the members are not directly linked to the capital or fees contributed by each member, each of whom has one vote, or at all events take place through democratic and participatory decision-making processes. The social economy also includes private, formally organised organisations with autonomy of decision and freedom of membership that produce non-market services for households and whose surpluses, if any, cannot be appropriated by the economic agents that create, control or finance them

This classification is very useful for drawing up reliable statistics and analysing economic activity in accordance with the national accounting systems currently in force. Nonetheless, from a socio-economic point of view there is obviously a permeability between the two sub-sectors and close ties between market and non-market in the SE, as a result of a characteristic that all SE organisations share: they are organisations of people who conduct an activity with the main purpose of meeting the needs of people rather than remunerating capitalist investors.

According to the above definition, the shared features of these two sub-sectors of the SE are:

- a. They are private, in other words, they are not part of or controlled by the public sector;
- b. They are formally-organised, that is to say they usually have a legal identity;
- c. They have autonomy of decision, meaning that they have full capacity to choose and dismiss their governing bodies and to control and organise all their activities;
- d. They have freedom of membership. In other words, it is not obligatory to join them;
- e. Any distribution of profits or surpluses among the user members, should it arise, is not proportional to the capital or to the fees contributed by the members but to their activities or transactions with the organisation;
- f. They pursue an economic activity in its own right, to meet the needs of persons, households or families. For this reason, SE organisations are said to be organisations of people, not of capital. They work with capital and other non-monetary resources, but not for capital;
- g. They are democratic organisations. Except for some voluntary organisations that provide non-market services to households, SE primary level or first-tier organisations usually apply the principle of "one person, one vote" in their decision-making processes, irrespective of the capital or fees contributed by the members. At all events, they always employ democratic and participatory decision-making processes. Organisations at other levels are also organised democratically.





The members have majority or exclusive control of decision-making power in the organisation.

A very important feature of SE organisations that is deeply rooted in their history is their democratic character. Indeed in satellite accounts, the democratic criterion is considered a prerequisite for a company to be considered part of the social economy, as the social utility of these companies in the social economy that are market producers is not usually based on their economic activity, which is an instrument to a non-profit end, but on their purpose and on the democratic and participatory values that they bring to running the company. The working definition of the SE we are developing in this position paper considers the inclusion of voluntary non-profit organisations that are producers of non-market services for households, even if they do not possess a democratic structure, as this allows very prominent social action third sector organisations that produce social or merit goods of unquestionable social utility to be included in the social economy.

In addition to the features shared by all SE entities, the definition in the European Commission (EC Manual, 2009) emphasises three essential characteristics of SE companies:

a) They are created to meet their members' needs through applying the principle of self-help, i.e. they are companies in which the members and the users of the activity in question are usually one and the same.

b) SE companies are market producers which means that their output is mainly intended for sale on the market at economically significant prices. The ESA 95 considers cooperatives, mutual societies, holding companies, other similar companies and non-profit institutions serving them to be market producers.

c) While they may distribute profits or surpluses among their user members, this is not proportional to the capital or to the fees contributed by the members, but corresponds with the member's transactions with the organisation.

The SE has positioned itself in European society as a pole of social utility between the capitalist sector and the public sector. It is certainly composed of a great plurality of actors. Old and new social needs all constitute the sphere of action of the SE. These needs can be met by the persons affected through a business operating on the market, where almost all the cooperatives and mutual societies obtain the majority of their resources, or by associations and foundations, almost all of which supply non-market services to individuals, households or families and usually obtain most of their resources from donations, membership fees, subsidies, etc.

It cannot be ignored that the diversity of SE organisations' resources and agents leads to differences in the dynamics of their behaviour and of their relations with their surroundings. For instance, volunteers are mainly found in the organisations of the non-market sub-sector (mostly





associations and foundations), while the market sub-sector of the SE (cooperatives, mutual societies and similar companies) has practically no volunteers except in social enterprises; these are a clear example of a hybrid of market and non-market with a wide diversity of resources (revenue from the market, public subsidies and voluntary work) and of agents within the organisation (members, employees, volunteers, companies and public bodies).

This plural SE which is asserting and consolidating its part in a plural society does not amount to a hotchpotch with no identity or analytical value. Over the past 200 years, this varied spectrum (market and non-market, of mutual interest or general interest) has shaped the third sector, as identified here through the social economy approach. Although the term third sector has mostly been used in the English-speaking world to describe the private non-profit sector that is largely composed of associations and foundations, third sector is also used in Continental Europe and in other parts of the world as a synonym for the social economy (SE) described in the previous chapter.

Third Sector

The third sector (TS) has become a meeting point for different concepts, fundamentally the nonprofit sector and the social economy, which, despite describing spheres with large overlapping areas, do not coincide exactly. Moreover, in the theoretical approaches that have been developed from these concepts, the TS is assigned different functions in today's economy.

▪ The non-profit organisation approach

The main theoretical approach that addresses the TS, apart from the SE approach, is of English speaking origin, as mentioned above: literature on the non-profit sector or non-profit organisations (NPO) first appeared 30 years ago in the United States. In essence, this approach only covers private organisations which have articles of association forbidding them to distribute surpluses to those who founded them or who control or finance them.

The historical roots of this concept are linked to the philanthropic and charitable ideas that were deeply-rooted in 19th century Britain and in the countries it influenced. The renown of the British charities and US philanthropic foundations has given rise to terms such as the charitable sector and the voluntary sector, which are included in the wider concept of the non-profit sector.

The modern concept of the non-profit sector has been more precisely defined and widely disseminated throughout the world by an ambitious international research project which began in the early 1990s, spearheaded by Johns Hopkins University (Baltimore, USA). This project examined organisations that met the five key criteria in the 'structural-operational definition' of non-profit organisations. They are, therefore:

a) organisations, i.e. they have an institutional structure and presence. They are usually legal persons;





b) private, i.e. institutionally separate from government, although they may receive public funding and may have public officials on their governing bodies;

c) self-governing, i.e. able to control their own activities and free to select and dismiss their governing bodies;

d) non-profit distributing, i.e. non-profit organisations may make profits but these must be ploughed back into the organisation's main mission and not distributed to the owners, members, founders or governing bodies of the organisation;

e) voluntary, which means two things: first, that membership is not compulsory or legally imposed, and second, that they must have volunteers participating in their activities or management.

The solidarity economy approach

The concept of the solidarity economy developed in France and certain Latin American countries during the last quarter of the 20th century, and is associated to a large degree with the major growth that the TS has experienced in organisations that produce and distribute some of what are known as social goods or merit goods. Merit goods are those on which there is broad social and political consensus that they are essential to a decent life and must therefore be made available to the entire population, irrespective of income or purchasing power. Consequently, it is considered that government should provide for the production and distribution of these goods, whether by ensuring that they are provided free of charge or by subsidising them so that they can be obtained at well below market prices.

During the height and consolidation of the welfare state, universal enjoyment of the most important of these merit goods, such as health services and education, was guaranteed by the governments of the most developed countries in Europe. In recent decades, however, new social needs have emerged that are not being addressed by either the public sector or the traditional capitalist sector, and which affect numerous groups at risk of social exclusion. These problems are related to the living conditions of elderly people, mass long-term unemployment, immigrants, ethnic minorities, the handicapped, reintegration of ex-prisoners, abused women, the chronically ill, etc.

It is in these areas that some organisations that are typical of the SE (cooperatives and, above all, associations) have seen considerable expansion. This sector simultaneously brings together a set of new organisations and new fields of action. Compared to the classic SE agents, it has three distinctive features: a) the social demands it attempts to address, b) the actors behind these initiatives and c) the explicit desire for social change.

Based on these three aspects, the concept of the solidarity economy developed in France from the 1980s onwards. It corresponds to an economy in which the market is one component, possibly the most important, but not the only one. The economy revolves around three poles: the market, the state and reciprocity. These three poles correspond to market, redistribution and





reciprocity principles. The latter refer to a non-monetary exchange in the area of primary sociability that is identified, above all, in associationism.

In short, the economy is plural in nature and cannot be reduced to strictly commercial and monetary terms. The solidarity economy approach is an unprecedented attempt to link the three poles of the system, so specific solidarity economy initiatives constitute forms that are hybrids between the market, non-market and non-monetary economies. They do not fit in with the market stereotype of orthodox economics and their resources, too, have plural origins: market (sales of goods and services), non-market (government subsidies and donations) and non-monetary (volunteers).

In addition to this concept of the solidarity economy, which has its epicentre in France, another view of the solidarity economy with a certain prominence in some Latin American countries sees it as a force for social change, the bearer of a project for an alternative society to neoliberal globalisation. Unlike the European approach, which considers the solidarity economy to be compatible with the market and the state, the Latin American perspective centres on developing this concept as a global alternative to capitalism.

- **The social enterprises approach**

A considerable body of work on social enterprises has appeared in recent years, although it cannot be said to take a unified approach. However, two main approaches to social entrepreneurship can be distinguished: the Anglo-American approach and that of Continental Europe.

The Anglo-American approach comprises various currents that define the social enterprise sphere differently, ranging from those who consider social enterprises to be the market company counterpart of private non-profit organizations with a social purpose, to those whose definition of a social enterprise centres exclusively on social innovation and satisfying social needs, whatever the form of ownership of the enterprise (public, private capital-based or what is understood by the term 'social economy' in Europe).

In the Continental European tradition, the main approach to social enterprises is summarised in the studies and proposals of the EMES network, which sees these companies as the result of collective entrepreneurship in the social economy sphere and as defined by three blocks of indicators (in the economic, social and governance structure dimensions). The European Commission, in the Social Business Initiative mentioned earlier, also defined social enterprises as a sub-set of the social economy (social economy operators).





- **Other approaches**

Related to the approach described in the previous paragraph, other theoretical developments directly propose replacing market economies where the means of production are privately-owned with other ways of organising the production system. They include a) the alternative economy, with roots in the anti-establishment movements that developed in France after May 1968, and b) the popular economy, promoted in various Latin American countries since 1980, with very similar characteristics to the Latin American version of the solidarity economy, so much so that it is also known as the solidarity popular economy. The popular economy excludes any type of employer/employee relationship and considers work the main factor of production





INTRODUCTION

The Third Sector¹, Social Economy² or Non-profit Organisations³ have an increasingly important role and visibility in people's and communities' lives. This happens because of the changes in public policies (transference of competences from the State to these organisations), the economic crisis, unemployment rise, poverty, and the consequent need to provide more support in different areas.

The fact that many of these organisations were born in contexts of “solidarity”, “good will”, “charity” and support to specific communities, coupled with the fact that they have had a great growth in the last years, has created new and great challenges, among which we highlight the following three:

- High dependence from State financial support, which tends to be shorter and shorter;
- Need to respect mandatory criteria and rules imposed by the State, as a condition to maintain public support, in areas like staff training, quality and safety systems, certification and accountability; and
- Need to be sustainable and economically efficient in a context of economic crisis, with high probability of seeing reduced public support, increase and diversification of social problems and need to create new answers and balance out incomes and expenses.

These challenges create the need for new spaces of collaboration, learning and sharing, making essential to develop networking and promote an European framework of discussion about the theme. Social innovation arises from the contact and collaboration between different partners, working in indifferent contexts, facing a wide range of problems and experiencing a variety of practices and solutions.

The project Q3.eu allowed identifying and exchange third Sector qualification experiences at European level, involving partners whose experience may create an added value towards the deepness and improvement of third Sector qualification activities. Main discussion topics were:

¹ See Preamble

² See Preamble

³ See Preamble





conceptual and legal frameworks, financing and training models, successful practices, evaluation methods, competences recognition and other major results, generating a new cycle of creativity, learning, networking and innovation.

This document was made possible by gathering each partner's contribution regarding third Sector relevant research conclusions; own country third Sector state of art and relevant figures, as well each partner's country most significant training, quality and certification developments and achievements.

Following to the Introduction, in Chapter 1, we will briefly resume a European concept this partnership subscribes in what concerns this economic sector definition and framework, i.e., the concept of a plural economic system taken up by the European Network for Economic Self-Help and Local Development, in 2009. This is followed by country relevant information regarding the country context, third sector concepts, state of art and relevant figures.

Chapters 2 and 3 will deal with the description of each country third sector training, quality and certification conceptualizations and most significant developments and experiences. In the last one, Chapter 4, we will present common conclusions and the partnership vision statement.





1. THE THIRD SECTOR IN EUROPE AND PARTNER COUNTRIES: "STATE OF THE ART"

1.1. The Third Sector in Europe: "State of the Art"

The concept of a plural economic system was first introduced in France by Jean-Louis Laville and others from the Centre de Recherche et d'Information sur la Démocratie et l'Autonomie (CRIDA). It was taken up by the European Network for Economic Self-Help and Local Development in a European-wide research project on "Key Values and Structures of Social Enterprises in Western Europe", and further developed by two of its partners.

The following diagrams show two different approaches to describe this plural economic system. Diagrams 1 and 2 have been developed by the Interdisciplinary Research Group Local Economy at the Technical University of Berlin. Yet the debate is not finished and further research and development on these issues is required.

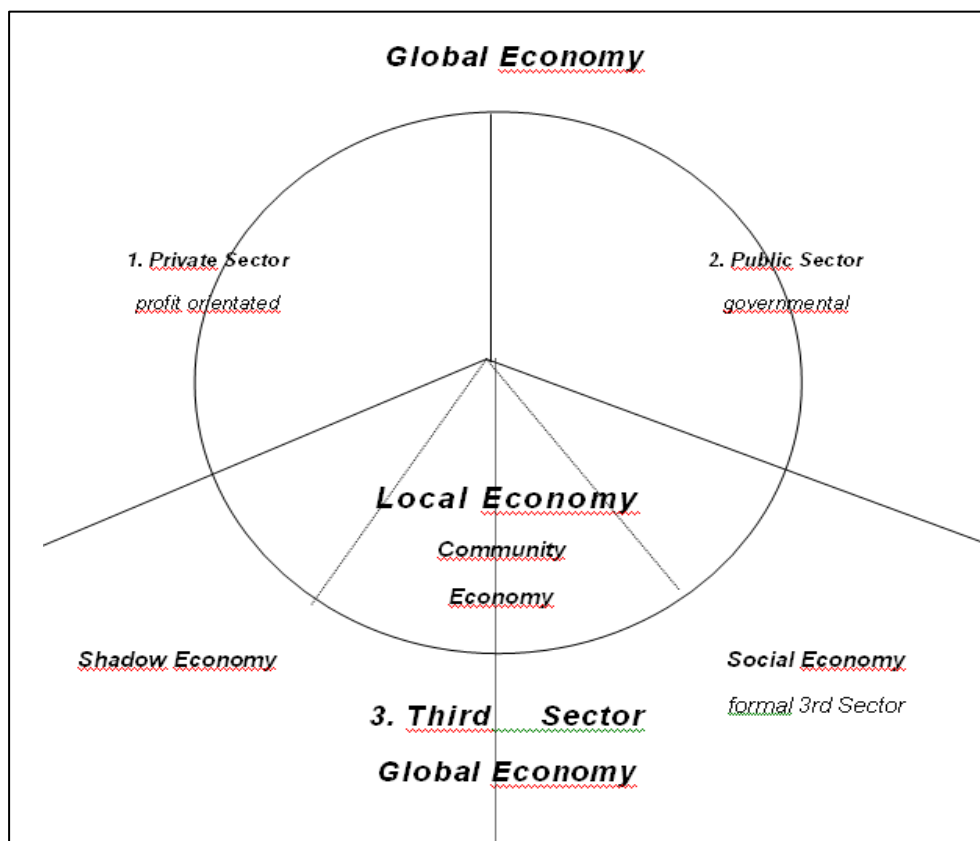


Diagram 1: Sectors of the Economy

Source: Birkhölzer, K. et al. (2005): Dritter Sektor/Drittes System. Wiesbaden: VS Verlag für Sozialwissenschaften



Diagram 1 shows the local economy (within the circle) and the global economy (outside the circle). It does not fully describe the concept of a mixed economy where goods and services which could be marketed profitably are delivered by the traditional Private Sector and all others by the Public Sector or the state. There has always been a Third Sector of unmet needs which has not been served by the market or the state (the first and second sector). The Third Sector is where people had to find other ways of delivering the necessary goods and services. These activities can be divided into a formalised economic sector, the not-for-private-profit or Social Economy and an informal sector, the Shadow Economy - 'in the shadow' because its activities are not officially measured or valued. The dividing lines between the Social Economy and the Shadow Economy are often overlapping. The Social Economy and in particular the Community Economy (on local level) are evolving out of the Shadow Economy by putting informal activities into formal structures. This move is based on placing value on things that were previously not valued and often underestimated. This is exemplified in Local Exchange and Trading Systems (LETS) and volunteering organisations.

Diagram 1 shows the Third Sector as a necessary and complementary economic system which emerges 'out of the shadow' from below and that it becomes only visible in formalised structures. Diagram 2 looks at this process in more detail.

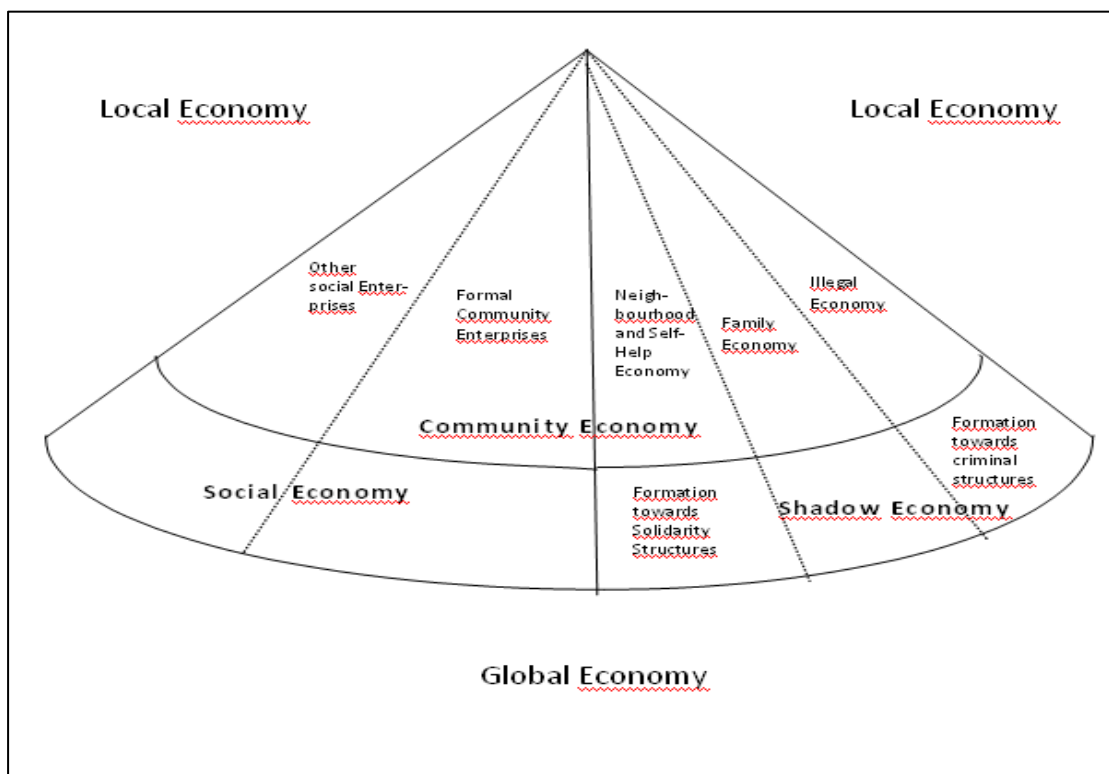


Diagram 2: Development Prospects in the Third sector.
Source: Birkhölzer et al. (2005): Dritter Sektor / Drittes System, p. 78/79

The Shadow Economy is made up of basically three sub-sectors:



- Neighbourhood-help and self-help economy;
- Family and household economy; and the
- Illegal or grey economy.

Some people argue that the Shadow Economy should be understood as a fourth sector which has its own dynamic. This is a strong argument because it can become also the starting point of a criminal organisation, which will gradually involve families and neighbourhoods and spread over whole towns and regions creating mafia-like organisations. The other option for the Shadow Economy is the formation towards solidarity, which will be become more successful if it acquires formal support structures - thus creating the Social Economy and Community Economy.

The term third sector was introduced by researchers to describe a third sector in society beyond market and state and is more or less synonymously used for 'the civil society'. The term third sector is essentially a sociological or political science category and includes all civil society activities - the economic as well as the non-economic ones.

The term third system was introduced by the European Union some years ago and refers to a third system in the economy and, we believe, is almost synonymous with the social economy, which could also be described as the economically active part of the third sector or civil society.

The origin of the social economy dates back to the 19th century and in retrospect we can identify four major strands that contributed to the emergence of the present third system or social economy:

- Economic self help in the tradition of the cooperative and mutual assistance movement;
- Charitable help 'for others' in the tradition of the welfare organisations;
- Philanthropy in the tradition of donations and foundations; and
- Voluntary community action and volunteering in the tradition of civic associations.

The term social enterprise has appeared only recently under various definitions and can be understood as the overall term for single units which, together, make up the social economy. This is similar to the term 'enterprise' which is generally used for all single units of the overall economy. However, the term 'social enterprise' is used in various countries in very different forms with different understandings and, we believe, cannot be solely defined using purely legal or institutional frameworks.





From an international or European perspective, operational criteria have to be developed by which social enterprises can be identified through empirical research. Although there is no universal agreement, social enterprises possess the following four characteristics (CEST Learning Package, 2007):

- Social enterprises are formally established enterprises to achieve primarily social and/or community-oriented objectives and often include environmental and cultural objectives;
- Social enterprises are set up, run and controlled by initiatives from citizens or other civil society organisations to serve unmet needs and/or solve conflicts
- The economic performance of social enterprises is subordinate to their social and/or community-oriented objectives by statutory agreements to work not-for-private-profit and re-invest the surplus in the overall objectives; and
- Social enterprise's organisational structures are based on co-operative or collective principles.

1.2. The non-profit and not-for-private-profit sector in the centre of the political agenda

In recent years there has also been a growing importance of the third sector in public policies. Overall, some authors attribute the growing importance worldwide to three main reasons (Salamon and Anheier, 2006:92):

- Emergence of a new public management;
- Importance of social capital development; and
- Globalization.

The relevance of the third sector in public policies gained greater prominence in the 80's with the election of Margaret Thatcher in Britain and Ronald Reagan in the U.S. and the neo-liberal policies initiated by them. This period started in 1981 with the formula of Ronald Reagan: "Government is not the solution, it is the problem."

The neo-liberal state model should not be the centrepiece in the implementation of policies of social welfare. There are cuts in public expenditure on social security.

The first initiatives of neo-liberal political will were to dismantle the social state and move these functions to the private sector and in particular for the non-profit sector.





This change in policy had important effects both on the importance, size and visibility as many social services, that were previously state responsibility, began to be made by them.

The non-profit sector has become a privileged partner of governments in implementing its policies, especially social ones.

The growth of neo-liberal policies and the new public policy pushes the third sector organizations to the centre of debate. In this process the private and third sector become key partners in the implementation of public policy.

As a result of changes in public policies associated with neo-liberal economic policies, the non-profit sector is no longer seen as the poor relative of the state, or as an organization model exceeded that complemented some of the shortcomings of the state. It rather moves to the centre of political debate and is seen as a central instrument in the development of the reform of the welfare state.

The contribution of third sector organizations to strengthen social capital is essential for development. According to this line of thought, economic growth, and deepening of democracy depends critically on the presence of social capital. Without social capital, markets and democratic institutions cannot easily develop and flourish.

Studies performed in Italy by Robert Putnam (1983) showed that regions with a higher level of civic participation are also the regions with a higher level of political stability and government and have better indicators of economic and social development.

A third impetus for placing the non-profit sector in the center of the political agenda is due to globalization and the growth opportunities for international calls from organizations and individuals. Globalization is traditionally seen as a force that weakens the nation states and strengthens the international corporations. At NGOs level we assist in recent times to the creation of international associations in various sectors, such as environmental protection and human rights. The same phenomenon was observed in terms of strengthening civil society.

According to economic theory, we have two models that have major political implications as seen from the perspective of the third sector organizations. The liberal model is characterized by a low state intervention in the social model and unlike a non-profit sector very developed. The notion that non-profit organizations are to replace the state emerges as a romantic idea that you need to change. In this process the NPO and civil society must be seen more as a force for social control and a basis for greater civic participation.





The social democratic model by contrast is characterized by a strong state intervention in social support, with limited services provided by the non-profit or not-for-profit sector.

In the following section there are small presentations about each organization involved in this partnership and each country state of art concerning the third sector.

1.3. Q3.eu Partner Countries' Third Sector "State of the Art"

For sharing information on the theme of each country state of the art, partners gather the most relevant information on their country, such as presentations of their own organization and information about activities in the context of third sector/social economy qualification processes according to these given guidelines:

Structure of Countries' "state-of-the-art" concerning the third sector/social economy:

- Accepted/common definition of third sector/social economy,
- Common types of third sector/social economy entities,
- General scope and activities they carry out,
- Some relevant figures - ex.: number of organizations, number of employees, number of volunteers,
- Programmes, projects, methodologies of third sector/social economy qualification

1.3.1. Cyprus

1.3.1.1 Cyprus Neuroscience & Technology Institute (CNTI)

Cyprus Neuroscience & Technology Institute (CNTI) is a non-profit, non-governmental, independent organization, active in implementing projects with a future orientation whose aim is to bring about positive social change and to encourage social entrepreneurship. CNTI is an incubator of social entrepreneurs who envision, design, and implement projects that promote the culture of co-existence, human rights, and peace, using methods grounded in the latest technologies, the science of dialogic design, and democratic dialogue. CNTI aims to use science and technology towards positive social transformation.

CNTI's mission is to enable people to re-think and re-solve social challenges, both on the local and the European level. Our actions are positioned right at the edge of where social change can happen. CNTI is an organisation in which ideas, projects, methodologies, and people are interconnected, even though it is constructed in a three main unit structure; The New Media Lab (NML), the Global Education Unit (GEU), and the Humanitarian Affairs unit (HAU).





More specifically, the New Media in Learning Laboratory (NML), the organisations' oldest unit, is the Unit in charge of implementing this LLP Grundtvig programme on Social Economy. NML is active in both research and social intervention, runs experimental projects that aim to develop new theories of learning, new IT-rich and mobile-based curricula, technologies to assess the role of emotions, attention and mental states in learning, and to integrate state of the art technologies (computers, IT, mobile phone) in the educational context.

It also develops new theories of learning based on mental attributes, web-based, video-game-like testing interfaces to evaluate cognitive profiles and learning abilities. It has developed a diagnostic tool known as MAPS - Mental Attributes Profiling System. Furthermore, it develops software-based systems for the treatment of various conditions.

The New Media Lab is currently implementing several other projects, among which is the coordination of the Cypriot Safer Internet Center (CyberEthics - www.cyberethics.info) and the coordination of a KA3 - ICT project on unifying learning differences (e-Hoop - www.e-hoop.info). NML is a partner on an FP7 project - Cardiac - focused on advancing research and development in the area of accessible and assistive ICT, on a Grundtvig Multilateral Project - Mingle - focused on language learning and on the EU Kids Online Network.

Currently, CNTI as a whole is implementing over 15 European, international and a few national projects in domains that lie at the interface between science and society.

Its 15 full time and more than 10 part-time and visiting experts pioneer not only in envisioning, implementing and exploiting CNTI's projects, but also in supporting dozens of partner organizations and many national NGOs in designing their own programs, providing training in management, evaluation and implementation.

CNTI collaborates with 21st Century Agoras in the development and application of most modern methodologies of structured dialogue, aiming to support diverse groups of stakeholders with conflicting interests and points of view, develop shared understanding of problems and achieve consensus in action plans.

Furthermore, CNTI overall has a lead role among all NGOs in Cyprus:

- (a) It leads the Platform for all Development NGOs;
- (b) It coordinates most actions between the two conflicting (Greek and Turkish Cypriots) societies on the island, mainly with UN funding;





(c) It has been chosen by UNHCR as its implementing partner for all its activities on the island;

(d) It has the Ministry of Education, the major telecommunications company, and umbrella Human Rights Associations as partners.

This is why CNTI is interested to join this effort, contribute its experience and know-how as well as learn from the rest.

1.3.1.2 Cyprus third Sector “State of the Art”

In Cyprus, the concept of the Social Economy is mostly vague in terms of definitions and recognition. The concept, however, does exist in most cases alongside other concepts, such as the non-profit sector, the Voluntary sector, Social Enterprises, cooperatives, Social Firms and other civil society organisations (CSOs).

As noted in the Peer Review on the *Social Economy - Laying the groundwork for innovative solutions to today's challenges*, “there is a lack of an integrated theoretical framework, a strategic plan and also awareness”, when it comes to social economy in Cyprus. This has had multiple effects on the social economy sector as well as the entities that are part of it, namely;

- Identifying such organisations/entities can be difficult
- The Social Economy enterprises themselves, find it hard to fit in the “legal restrictions” provided by the system
- Usually SEE’s register as companies of limited liability, associations or community councils, even though a distinct third sector exists (Social Economy Report, European Commission, 2012).
- Visibility of those organisations is limited and concept is confusing.

There is however, a more general accepted definition of the entities belonging to the third sector, as described by the Ministry of Labour and Social Insurance. Social Economy Enterprises in Cyprus are defined by their aim to mainly attend to the social needs of the public general or to certain groups more specifically (more often vulnerable groups).

These services are subsidized by the government as long as they meet social needs that are not met by state services. “Cyprus has a long tradition of partnership between the government and the third sector in the provision of social care services on a local level” (URBACT, European Union, 2011). The two most common sectors in which they operate are, welfare and education. They target groups such as, pre-school and school age children, old people, persons with mental or physical disabilities as well as persons with substance abuse issues and victims of violence (psychological and/or physical).





The main activities carried out by third sector/social economy entities are: to support vulnerable groups of the population; to facilitate the reconciliation of family and work life; to facilitate inactive women in entering / re-entering the labour market; to support the development and mobilization of human and other resources on a local level, which indirectly can lead to an increase in employment.

An important issue that emerged from the research concerned the lack of effective state monitoring of the finances of CSOs. Another issue was the lack of transparency in the mode of allocating state funds to CSOs

1.3.1.3 Main third sector/social economy entities

As noted in the “Study on practices and policies in the Social enterprise sector in Europe”, in Cyprus,

The role of social enterprises is to identify, prevent and deal with social problems and challenges, to enable families to cope effectively with multiple roles, to secure the welfare and best interests of children and of other vulnerable groups such as the elderly and persons with disabilities, to safeguard the right to a decent standard of living for all person legally residing in Cyprus. (Study on practices and policies in the Social enterprise sector in Europe, 2007, p.2)

The main activities carried out by third sector/social economy entities are: to support vulnerable groups of the population; to facilitate the reconciliation of family and work life; to facilitate inactive women in entering / re-entering the labour market; to support the development and mobilization of human and other resources on a local level, which indirectly can lead to an increase in employment.

Within this context and although social economy is not well recognised, Social Economy entities in Cyprus are usually categorised under two main divisions: (i) Cooperatives and (ii) non-profit Voluntary Organisations (NGO’s). There are good numbers of co-operatives operating in finance, agriculture, manufacturing and services, and 185 non-profits/NGOs providing welfare services. Roughly 240 organisations and 350 programmes are in operation in total.

According to CIVICUS- Civil Society Index Report for Cyprus (2005), these third sector entities are highly concentrated in urban areas and more specifically, in Nicosia, which is the capital. SEE’s belonging to a federation, umbrella organization or network, seem to enjoy somewhat higher levels of support. Nonetheless, many stakeholders believe that federations or similar networks are not highly effective. This could provide some justification for the rather small number of organizations that belong to a federation.





There are roughly 240 organisations that work within the third sector economy in Cyprus. Most of them are identified mainly by the provision of social care services to vulnerable groups of society. These services are subsidized by the government as long as they meet social needs that are not met by state services.

In order to promote the concept of social enterprises and the development of the third sector in Cyprus there is a need of a good network between national and international social enterprises. The national cooperation between the national and local associations already exists and that could be a good starting point in order to organize an international movement to establish international partnerships that could be beneficial for the social enterprises.

1.3.1.4 Third Sector Challenges in Cyprus

The main challenges for the third sector in Cyprus, is to establish an integrated theoretical framework and well defined social economy units, so that the social economy will become an “economic player” that contributes to the GDP and towards the increase of employment and social cohesion.

Target should be set at, improving funding, coordination and synergies among current NGOs and between SEEs and governmental bodies. This notion should be applied in all interactions and competencies.

Additionally, a new frame for cooperation should be set in the areas of training, qualification and accreditation when it comes to the third sector in Cyprus. Like in the subsidisation of the services, there should be a subsidisation of training and qualification activities by the formal training governmental bodies towards the SEEs who are in the field and they have the experience and knowledge needed for successful training provision.

1.3.2. Italy

1.3.2.1. Ente di Ricerca e Formazione (E.Ri.Fo)

E.Ri.Fo. is a non-profit organization in the field of research, training and guidance of adults. E.Ri.Fo develops e-learning programs and courses, based on an innovative storyboarding model. For what concerns Guidance services, it owns a model and software for recognising knowledge and skills acquired via non formal and informal learning, strongly contributing to the identification of the so-called “shadow competencies”, thus improving individual employability.





It has a wide network of institutional partners, companies, trade unions and public and private training institutions. E.Ri.Fo.'s priority thematic areas are:

- development of learning environments for the acquisition of key competences; training of elder adults and or people with special needs;
- recognition and validation of informal and non-formal learning outcomes; application of new skills for new jobs;
- development of innovative management systems; education of young people with special needs; and creation of networks aimed at increasing knowledge and employability throughout entire lives. E.Ri.Fo. owns a quality management system certified by BVQI for research, guidance and training activities;
- it is accredited to Italian Ministry of Education and Scientific Research for training and professional development of adult education staff; it is accredited to Lazio Region for management of research and guidance activities.

1.3.2.2. The third Sector in Italy

In Italy the scientific debate is focused on two ideas of the “third sector”. On one side, we have the neo-functionalist idea – mainly privileged in the Anglo-Saxon environment – which sees the Third Sector activities as compensatory for the deficiencies or distortions of the other two Sectors, that is to say the State and the Market. Just to do an example, let’s think about the famous thesis by J.Rifkin according to whom the Third Sector should have the role of “sponge sector” in order to absorb the employment surpluses of the other two Sectors. But the Anglo-Saxon idea meets many difficulties, in the first place conceptual difficulties. For example, this idea implies putting this reality in a kind of institutional limbo: it is not inside the State – which is obvious – nor inside the market, because the latter would be the ideal-typical place for the profit enterprises.

On the other side, there is the idea – still a minority idea, but expanding fast in Italy – which instead assign to Third Sector organizations the primary tasks of creating networks of general reciprocity within the society and of transmitting those values able to raise the quality of life. In short, this is the idea of civil economy. (The notion of civil economy appears for the first time in the 18th century when, in 1753, the Naples University establishes the first Economics chair in the world, calling the Abbott Antonio Genovesi to hold it. The name adopted was just Civil Economics. As a matter of fact, the fundamental work by Genovesi is titled “Civil Economics lessons”).





It is very difficult that the first above stated idea can find a fertile ground to expand in a country having such features and traditions as Italy has. In fact, there are some specific reasons supporting the idea of a kind of an “Italian way to the Third Sector”.

1.3.2.3. Common types of third sector/social economy entities

Let’s try to understand the reasons why the expressions “non profit” (of Anglo-American derivation) and “Third Sector” (of French derivation) don’t fit well to catch the needs of the Italian society. As a matter of fact, the terms coined by our tradition of thought to refer to these topics are rather “social private” on one side and “civil economy” on the other. The expression “non profit” is not suitable because the mere non-distribution of the profits is not, on itself, a necessary nor sufficient condition to let the organizations that we need being able to create sociality through the production and delivery of specific relational goods. As a matter of fact, it is possible to distribute the profits – also because it is very easy to avoid the obligation not to distribute them – and nevertheless give almost no contribution to the goal of humanization of the economy on which the social doctrine of the Church insists all along. Vice versa, there are enterprises – such as the social cooperatives or the enterprises adhering to the project of a “sharing economy” (having a Catholic matrix) – which, though distributing a part of the profits, because of the way in which they organize the working process and because of the relations network they establish in the market in which they operate, highly contribute in “doing society”.

On the other hand, the expression “Third Sector” is also misleading both because it carries the idea of something residual, coming after the two other Sectors – the private economy and the State – have made their decisions according to their respective criteria of convenience, and because if the aim is to give a practical implementation to the principle of horizontal subsidiarity we need the civil economy. The third sector (that is to say the sector of non profit) is fine as long as we remain anchored to the design of vertical subsidiarity, that is to say of federalism. In such a design the main problem to solve is that of the relationships between Public Powers and the subjects of the civil society and – as known – the needed operational tools which, according to the needs, are called agreements, public auctions with the lowest bidder contests, contracting-out and so on. Anyway it is evident that, within such a structure, the subjects of the civil society and bearers of culture will never be able to aspire to full autonomy and independence. They will be able at most to aspire to become a strong third sector, a kind of *sui generis* para State, with the connected risk of institutionalization. We therefore have to look out in order not to fall in this pragmatic contradiction.

On one side, we fight to see the principle of horizontal subsidiarity put into effects; on the other side, we content ourselves of a third sector which, in return for sure resources or the stability of





relationships with public institutions, abandons the freedom to think itself as an autonomous and independent subject.

In short, (horizontal) subsidiarity is a principle ruling the social order which we can want or not, which we are trying to put in practice as an institutional design or not. What is not permitted is to declare oneself in favour of the horizontal subsidiarity not being able to “see” that in order to realize it the third sector is not enough and the civil economy is needed. That is to say not being able to see that, the responsibility for the others’ destiny and the authentic solidarity, solicit a boost to entrepreneurship and not to the professionalization. We come down to the professionalization each time when we confuse the subsidiarity principle with the subrogation principle: intermediate entities should do what the State or public institutions can not do (or have no interest in doing). This means thinking the civil society as subsidiary of the State instead of thinking the State as subsidiary of the civil society.

1.3.2.4. General scope and activities they carry out

To suggest the idea of the Third Sector as civil economy, in concrete, means assigning it sector two tasks, fundamental and urgent at once. On one side, the task to contribute in humanising the economy. The protection of freedom requires the pluralism to be defended not only in the political sphere – which is obvious – but also in the economic sphere. Pluralistic, and therefore democratic, is the economy in which many principles of economic organization find a place – from the principle of the search for profit to that of reciprocity, to the principle of redistribution – without the main institutional asset favours the one or the other. In an authentically liberal society, it is the effective competition – and not only the virtual one – among different offering subjects, that is to say among different types of enterprise, to determine the modes of delivering the various categories of goods and services. In other words, the competition which we boast so much, today, can not be limited only to the finished products or to the final results of the enterprise processes, but it has to be extended also to the modes through which those products or those results have been obtained. This happens for the simple reason that more and more citizens of our advanced societies are interested not only in the objective features of the goods and services they ask for, but also in the modes in which these same goods and services are produced. It is not only the quality of the finished products to be appreciated, but also the quality of the productive processes through which these products are obtained.

In practical terms, this requires the urgent modification of the article 2247 of our Civil Law, promulgated in 1942, where you can read: “With the partnership agreement two or more people provide goods or services for the joint operation of an economic activity in order to divide the profits”. Until such a definition of enterprise will remain in force, it is clear that a civil economy will





never arise. Why an economic activity, in order to be considered as such, must necessarily be for-profit? It is the ability to create added value or surplus what characterizes doing enterprise and not just the goal pursued by the subjects running that activity, isn't it? The goal pursued by the subjects is important, both economically and legally, but it is not the base of the notion of enterprise. It is the lack of civil entrepreneurs the real bottleneck preventing from putting in practice the principle of subsidiarity.

The second fundamental task that the third sector as civil economy has to fulfil, is that of making concrete the chance to activate in our country the new model of welfare mix. It is now known that the overcoming of the welfare statist model presumes that you have a specific typology of markets, which do not exist in our country: the markets of social quality, as they are now named in the recent literature. They surely are sui generis markets, but still markets. In them, the resources the State decides to provide for the welfare are used to promote and support the demand for social services, thus transforming in effective a demand which otherwise would remain only virtual, that is to say not paying. On the other hand, it is about intervening on the offer side, with both legislative and administrative measures, in order to grant the pluralism of the subjects offering the many types of services, and this in order to avoid the risks of the formation of profit positions and to allow an actual ability to choose for the citizens. In this there is the idea of a subsidiary welfare which uses the market mechanisms as a tool to reinforce the social bond – as a matter of fact it is not true that the market is an entity only compatible with the egocentric motivation of its actors – and in which the State becomes promoter of the civil society, which is organized by encouraging all the forms of collective action having public effects.

1.3.2.5. Some relevant figures

The Third Sector universe in Italy is very wide because it includes all the organizations doing an activity in the social field, from sports associations to volunteers associations, from foundations to NGO, to get to the social cooperatives, which sometimes also perform typical tasks of the enterprises with an entrepreneurial organization.

Because of its hugeness, it is difficult to make a census of this whole universe, but if we limit the data to the social cooperatives, which are ruled from the Law 381 of 8th November 1991, the third sector universe becomes immediately recognisable and quantifiable.

In Italy, social enterprises have shown in recent years a considerable expansion, now qualifying as an important subject in the entrepreneurial network of our Country. In terms of absolute abundance, social enterprises are a minimum percentage in the Italian entrepreneurship, but the relative share is more than 3% of the total if we consider the employees employed given their





high average size. In their main field of activity, that is to say in health and social care, these enterprises hold nearly 58% of the total employees of private enterprises.

In 2010, in Italy, there were about 13 thousand social enterprises with employed employees, almost only in the field of services (92%), due to their concentration in the field of health and social care to which it belongs half of this type of enterprises. Concerning the aspect of their dimensions, if the social enterprises are made up in large majority (about 10 thousand) from small and medium enterprises (up to 49 employees), but the almost 3 thousand enterprises with at least 50 employees absorb about 70% of employed employees.

This entrepreneurial segment showed over time an appreciable dynamism, witnessed by an increase of over 53% between 2003 and 2008, passing in absolute terms from about 8.500 to 13 000 units. The increased number of social enterprises has been more intense in the South (+66%), although the smaller increase achieved in the North West stood still on a high value (40%).

As a reflection of the growth of social entrepreneurship, employed employment showed a significant rise, which exceeded 70% between 2003 and 2010, proving to be far higher than that of all Italian companies (+10% approximately).

At the sectorial level, in health and social care the trend was well above the average, thus contributing to expand its prevalence, passing from 64 to 69% of total employees in the sector.

From the point of view of the dimensions, the largest increases in employment have affected the bigger realities, that is to say the enterprises with more than 50 employees (+96% compared to 2003). Among the various areas of the country, a greater increase was recorded in the North West (+82%), despite its lower growth in the number of enterprises.

1.3.2.6. Brief on Italian third sector

a) Third sector evolution

- Law 266 of 1991 – voluntary association
- Law 381 of 1991 – social cooperatives
- Law 383 of 2000 – social promotion association
- These 3 types are the base of the “Third sector Forum”
- Law 118 of 2005 – social enterprise (are they third sector?)
- Free and not recognised associations (they exist always and they belong also to the Forum)





- Mutual association (they are compared to cooperatives)
- Foundations they grow up in the last years for different purpose
- Onlus: Fiscal category – Dlgs 460 of 1997

b) Social Cooperatives

The social enterprise concept was used in Italy earlier than elsewhere

- Social enterprises account for a long history and significant development, promoted by groups of citizens, given the limited supply of and growing demand for social services
- intense legislative activity: law on social coops (1991) and law on social enterprise (2005-2007)
- first social enterprises were set up in Italy at the end of the 1970s
- most of these organizations were set up through the cooperative form

c) Some data

During the 1990s social cooperatives registered an extraordinary growth. In 2009 (Unioncamere, 2009):

- 13,938 social cooperatives, (Type A and type B)
- 304,645 people employed
- more than 30,000 disadvantaged workers integrated
- more than 3,500,000 users
- social enterprises provide between 70 and 80% of social services
- 67% of the revenue of Italian social cooperatives derives from local public authorities (71% for A-type and 54% for B-type social coops)

d) Key factors explaining the growth of ses' in Italy

Starting from social and voluntary engagement:

- social enterprises developed as voluntary responses to social needs



- also when supported by public resources, SEs continue to be voluntary promoted by groups of citizens
- link to the voluntary movement
- promotion of the Third sector Forum
- Acknowledgment of social enterprises
- legal recognition: in 1991 Law 381 recognized social cooperatives ex-post
- Intense research activity, important:
 - to assess the importance/impact of the sector
 - for lobbying purposes
 - public contracting
 - contributed to create new markets
 - recognized the entrepreneurial character of the new initiatives
- Decentralization in 1990's transfer to the regional and local administrations of:
 - responsibility of delivering social services
 - possibility to delegate the provision of these services to private providers
 - beneficial tax arrangements:
 - the added value of social enterprises is recognized in Italy in both its laws and Constitution
 - A type social coops charge nil rate or 4% VAT
 - disadvantaged members integrated by B type social coops are exempted from payment of national insurance contribution
 - multi-stakeholder membership also if the mix of members is not compulsory
 - 69.7% of Italian SEs have a multi-stakeholder membership
 - 33.8% of SEs have a multi-stakeholder governance
- the main model consists in memberships involving volunteers and workers (37.9%)





e) Social cooperative and social enterprises

The Parliament in 2005 (in 2006 and 2008 some regulations) introduced a more general law on Social Enterprise. It:

- allows to establish SEs through a plurality of legal forms (association, foundation, cooperative, shareholder company)
- enlarges the set of activities of SEs
- at March 31, 2010 601 social enterprises are registered

f) Development trends and questions

- social coops are not the only type of organizations engaged in social service provision
- voluntary organizations and Foundations are increasingly engaged in the stable provision of services
- the social enterprise form was also suited to provide community services other than social and educational ones
- the cooperative form was no longer suitable to manage some of these new activities
- are the social cooperatives the most important social enterprises

1.3.2.7. Programmes, projects, methodologies of third sector/social economy qualification.

The Italian Law has in its Civil Code two main categories in which classify the associations:

- Associations recognised as juridical subject
- Associations not recognised as juridical subject

The acknowledgement is granted, after being requested, by the National Government. The no-recognised associations have all the rights and obligations of a juridical subject but miss a total economic independence. The recognised associations are instead totally independent in regard to its members. The juridical acknowledgement is obtained after having requested it to the competent authority.

In Italy, there are **five** acknowledged national associations:



- The **Cooperatives Union**, born at the end of 1800 and characterised by a uniform cultural and political background having always the Italian left wing as its reference.
- The **Cooperatives Confederation** was founded in the beginning of 1900 and is based on the Church's social doctrine.
- The **General Association of Italian Cooperatives** was born in around 1950 and has a laic republican liberal and social democratic inspiration.
- **U.N.C.I** was born in the seventies through the initiative of a group of co-operators coming from Confcooperative (Cooperative confederation). It is inspired to the social values of Church's doctrine and to the principles of the "Rerum Novarum" encyclic.
- The **Cooperatives Union** is of very recent creation.

For example, U.N.C.I has been acknowledged on 18th July 1975 through a decree by the Work and Social Security Ministry. The Cooperative gives workers, young people, disadvantaged people and the so-called "weak categories" the opportunity to associate in a business, even without having a huge capital, by taking over the control and affecting enterprise choices. In this way the co-operator of the mutual Enterprise is also a co-entrepreneur not being a mere employee because he takes part to the business choices.

All associations are under the supervision and control by the Economic Development Ministry. When an association ceases to exist, its possessions must be devolved to the competent authority.

On its side the association, manages the external mutuality fund which is generated by all the associations paying 3 per cent of their annual profit.

Cooperatives can freely choose to be part or not of an association, therefore there are cooperatives not participating to any of the above mentioned acknowledged associations. 3 per cent of not-acknowledged associations is managed by the Ministry.

This money is used to promote and develop cooperation activities: it is used to provide training courses in cooperation, to realize concourses to promote the creation of cooperatives and/or stimulate the development, to promote studies and researches on economic and social topics which are relevant to the cooperatives movement.





In conclusion, in Italy, the social business, based on mutual cooperation and not aiming to personal remuneration, is an Economics model which can take over all the social functions and obligations usually overlooked by European welfare government; this is favoured by the inner structure of such a business because in it job and capital are joint together without conflicts and it also often employs inferior or poorer weaker and disadvantaged social classes thus contributing to the economic development of the Country in which the social business acts.

There are many positive examples of excellent businesses providing social services and operating without remunerative goals. This is often the case of those sectors, such as social and health services, where the features of the social business itself and the principle of mutuality meet institutional goals of the local institutions. This kind of business should be a referring model in the planning of Public Services.

Leaving aside any prejudice or false idea would be the only way to acknowledge the great potential of such a business which could be able to satisfy all the National and European principles such as: social and environmental sustainability, integration, social visibility, fair application of gender equal opportunities, thus allowing welfare policies to develop toward an actual enjoyment of all the nationality rights.

It is often underlined the necessity for an innovation inside the Public Administration, but what is most needed in my opinion is a change in thinking and culture leading institutional actors to share the same meanings for the same topics thus creating a new conscience which would allow a stricter and more effective cooperation in planning and organising public services. In this way the so called integration principle, always demanded but never actually realized, would become real and allow administrations to save the already limited amount of money at their disposal.

A further benefit in adopting a social business derives from the peculiarity that a mutual social business works within the obligation of budget balance and of social reporting and visibility because the continuing research for strategic choices and business policies allowing to grant a sustainable development, helps local, national and international institutions realizing their mission.

As a matter of fact, it is commonly thought that in modern societies there is a big gap between always higher needs and always lower public offer: many social businesses were born to perform an advocacy or a pioneer role and also spread goods and services.

These above mentioned examples of social businesses also have some operational limits but have soon obtained from the Public Administration more and more delegations on providing public services, above all for local institutions.





As a consequence the more conscious and attentive businesses became aware of the need to revise their business strategies in order to achieve the best economic and financial results and the best visibility toward the stakeholders.

The principal feature of our social business model also has a promotional goal in order to establish a kind of righteous benchmarking network able to provide goods and services of social interest for the local productive context.

Being able to achieve this goal would also allow to favour some kind of partnership in trying to strengthen society through actions and initiatives made to catch needs and opportunities deriving from the local territories and able to perform a shared strategy in managing European funds.

Important contributions of social enterprises to innovation are:

- new services to satisfy new needs
- innovative “production process”, replacing bureaucratic and hierarchical forms with participatory ones
- conventional conception of enterprise challenged
- new conception of social services

Conclusion:

The Italian experience corroborates the importance of: adequate legal/fiscal framework for social enterprises and networking within and among the families of the social economy.

Social enterprises account for a long history and significant development, promoted by groups of citizens, given the limited supply of and growing demand for social services.

The “Italian way to the Third Sector” is composed by two ideas:

- The neo-functionalist idea which sees the Third Sector activities as compensatory for the deficiencies or distortions of the other two Sectors, that is to say the State and the Market,
- the other one is the idea of civil economy, focus on to assign to Third Sector organizations the primary tasks of creating networks of general reciprocity within the society and of transmitting those values able to raise the quality of life.





So the Third Sector universe in Italy is very wide because it includes all the organizations doing an activity in the social field, from sports associations to volunteers associations, from foundations to NGO, to get to the social cooperatives.

In Italy, social enterprises have shown in recent years a considerable expansion, now qualifying as an important subject in the entrepreneurial network of our Country. In 2010, in Italy, there were about 13 thousand social enterprises with employed employees, almost only in the field of services (92%).

In Italy, the social business, based on mutual cooperation and not aiming to personal remuneration, is an Economics model which can take over all the social functions and obligations usually overlooked by European welfare government; this is favoured by the inner structure of such a business because in it job and capital are joint together without conflicts and it also often employs inferior or poorer weaker and disadvantaged social classes thus contributing to the economic development of the Country in which the social business acts.

1.3.3. Portugal

1.3.3.1. Federação Nacional de Cooperativas de Solidariedade Social (FENACERCI)

FENACERCI is a NGO that represents 53 cooperatives for education and rehabilitation of people with special needs. These cooperatives provide direct or indirect support to approximately 10.000 children and adults with intellectual or multiple disabilities, as well as to their families. FENACERCI's main objectives are to promote the recognition of the rights of citizens with intellectual disabilities and multiple disabilities; to advance their interests and those of their families; and to liaise with central government and other policy-making organizations. FENACERCI has a track-record of working with national and international partners, and is a member of numerous European and international organizations aiming at raising the awareness of the rights of disabled citizens. FENACERCI has delivered numerous European projects, as a partner and coordinator, including a project to accredit a basic computer course for people with intellectual disabilities.

1.3.3.2. The Third Sector in Portugal

In Portugal, there is a multiplicity of terms and concepts to describe the set of organizations that do not fall in either the State either in the private sector. Among the names most commonly used are non-profit organizations, social economy and solidarity, non-governmental organizations, third sector, the third system. The term non-profit organization (NPO) highlights one of the objectives of such organizations. However the term "non-profit" is not quite correct, because these organizations





can have gainful activities since the profits are reinvested in the organization and continuation of the mission. In Portugal these organization are usually known as the non-profit sector, social economy and third sector.

Although the designation of the social economy is often used in Portugal, Nunes et al. (2001) argue that the designation of third sector is more appropriate to our national reality. In the opinion of these authors, the rigorous application of the criteria of the non-profit sector or social economy, do not represent an adequate theoretical framework to empirical reality nationwide. In this context, the authors argue that the term third sector is the one that best promotes the formation of critical mass in the sector, and that this name "goes back to what is advocated by the constitutional principles in force (article 82º), which consider the existence three sectors, namely, Public, Private and Cooperative and Social" (Nunes et al., 2001).

To be acute when we refer to the third sector or non-profit sector (SNP) or other settings is important to clarify these concepts. Authors such as Campbell defined Third Sector as something that operates between the private sector (first sector) and private companies (second sector). The third sector was the victim of this situation, and certain invisibility in relation to political power.

The literature reveals that there is a simple and uncontroversial definition of SNP. As we will see below there are many names for organizations working with similar purposes. There are however settings that has received some consensus among experts.

The non-profit organizations are defined by the following characteristics (H. and L. Anheier Salomon, 2006):

- Respond to needs unmet by public and private sector;
- Self-Organized - has some structure and regularity in its activities, meetings, decisions are recognized as legitimate by its members. These may not be formally constituted;
- Self-governed - has its own internal governance mechanisms• Private - are institutionally separate from government;
- No distribution of profits - profits must be reinvested in the organization's objectives and not distributed to its members or management, this criterion clearly distinguishes this sector of the business;
- Voluntary - may appeal to the participation of volunteers in time and money;





1.3.3.3. Boundaries between non-profit / not-for-private-profit organizations and public bodies

The boundaries between government agencies and third sector organizations are sometimes not clear, especially when their revenues are fully public and result from contracts established with the State. The complete dependence of many organizations of public funding prevents their leaders to take autonomous decisions. In many situations the line between what is public and what is non-profit sector is very faint.

The organizations of the non-profit sector or civil society play different roles, some of which are more legitimate than others. Some of these organizations provide various services in health, poverty alleviation, and education. Other organizations are betting less on services and more on empowering the most marginalized populations, and civic activities. Having often ideological discussions about the purpose of their performances.

The complexity of the third Sector led some authors (H. and L. Salomon Anheier: 2006: 91) to propose its division into at least four different "concepts":

- Charitable sector, non-profit and volunteer- refer to charitable organizations that provide services to the poor;
- Social Economy - Includes all activities undertaken mainly by cooperatives, mutuals, associations and whose ethics based on the following principles: put first services to the community and its members, independent management, democratic processes in decision making; primacy of people and work on capital in income distribution (Defourny, Develtere, and Fonteneau 1999: cited by 18. Anheier and L. Salomon: 2006: 91).
- NGO - Non Governmental Organizations, with growing importance in international interventions in the area of human rights, health, environment
- Civil society - the term that has gained prominence in the context of the democratization of Eastern Europe and the need for citizens to have a more active participation in change. Development of civil society, only people, citizens may speak for themselves.

Defining this sector is not an easy task - given the diversity and complexity. The terms used to describe the set of organizations that include the non-profit sector are many:

- Institutions of social solidarity and social sector (including just this kind of institutions and not the entire third sector)





- Non-profit Organizations
- Social Economy
- Solidarity Economy
- Non-governmental organizations
- Third sector
- Third System
- Economic Alternatives

The term social economy is widely used in the EU and also in Portugal and is common in Portugal to speak also on Social and Solidarity Economy.

The biggest difference between the concept of Social Economy and the concept of non-profit sector is the inclusion of mutual associations and cooperatives in the first and their partial exclusion in the second, since they can distribute profits. This is a major conceptual difference between these two concepts. On the other hand the definition of non-profit sector tends to include for example the higher education which tends to be excluded from the concept of the third sector in Europe. Hansmann (1980) defines non-profit organizations such as those that are prevented, either by external regulation, either by its statutes, to distribute the income profits by those who control the organization.

1.3.3.4. Categories of activities of organizations of the third Sector

The international classification for non-profit organizations - International Classification of Non-profit Organizations - identifies twelve categories of activities of organizations of the third Sector which includes functions: 1) services (education, research, health and social services), 2) expression (participation civic and advocacy, culture and leisure), 3) environmental protection, 4) business and professional associations;

Code	Area	Code	Area
1	Culture and leisure	7	Civic and advocacy
2	Education and research	8	Philanthropic Intermediaries





3	Health	9	International
4	Social Services	10	Religious congregations
5	Environment	11	Businessmen and Professionals unions
6	Development and Housing	12	Other

International Classification of non-profit organizations
Source: Franco, Raquel, sd, Universidade Católica, 2005

Third sector organizations take names and very different legal forms. It is a sector with a high heterogeneity at the organizational level. In Portugal there is a wide range of non-profit organizations, we can add in:

- • Foundations
- • Institutions of Local Development
- • Holy Houses of Mercy
- • IPSS – Private Institutions of Social Solidarity
- • Museums
- • NGO - Non Governmental Organisations
- • Mutualist Associations
- • Cooperatives

1.3.3.5. Economic importance and employment of Non-Profit Organizations

In 2009, an EU report concluded that the social economy currently accounts for 10% of all European businesses, ie 2 million companies and 6% of total employment, and has a high potential to create and retain jobs stable, mainly due to their community based activities essence. It is a sector that is characterized by the fact that their businesses are generally small and medium enterprises (SMEs) that contribute to a sustainable economic model in which people are more important than capital and that these companies are often active in the market and therefore need to ensure that their activities comply with relevant legislation.

The importance of the third sector is poorly known Studies on the third sector reveal that this is in the shade, has little visibility, and is poorly known (Campbell, Mike, 1999: 34). Its economic importance and contribution to employment as shown by some indicators is high. There





are some estimates made in the study of Franco (2005). The contribution of the third sector to the social and economic development and political is poorly known and its importance and potential are much undervalued:

- A strong contribution to the national economy. The third sector has a very significant economic importance (Raquel Franco, et al: 2005): the costs in 2002 represent 4.2% of GDP (5.2 billion);
- A large employer. Involves 227.2920 workers FTE (full time equivalent) of which 70% are paid and the other on a voluntary basis;
- The workforce in this sector represents 4.2% of economically active population
- 60% of workforce is involved in functions related to services
- 48% of hand labour is linked to social services (well over 22% of the average values found for developed countries)

Besides the contribution to employment, several authors (Campbell, 1999: 13) consider that this sector has a high importance in terms of social cohesion, integration into the labour market and local development. Particularly with regard to:

- The creation of jobs and job creation in new areas;
- Respond to specific search in the community;
- Promoting employability, with the public excluded.
- The third sector adds value in the process of local development poles of ways:
- Development of social capital, strengthen relationships and promote civic engagement of citizens:
- Help to foster greater social cohesion and trust in the community
- Strengthens the structure of the local economy in terms of organization
- The added value of third sector derives from the ability to combine economic and social objectives, provide a high level of commitment to achieve its objectives.

1.3.3.6. Sources of income of the non-profit sector

The revenues from this sector can be aggregated into three categories:



- 1) own revenue (payment for services and fees);
- 2) public support (grants, payments for services, others) and;
- 3) philanthropy (donations, volunteers).

For philanthropy means donations, gift of time and money or property. Some authors define philanthropy as voluntary action for the common good. (Payton 1984, quoted by Richard Steinberg and Walter W. Powell p3.)

For Portugal (Franco,R.. et al, (2005: 21) have the following estimates:

- (48%) of the funds of these organizations represent their own revenue;
- 40% public support;
- 12% Philanthropy - If volunteering were included this rose to 21%.

1.3.4. Germany

1.3.4.1. Technologie-Netzwerk Berlin e.V. (TECHNET)

Technologie-Netzwerk Berlin e.V. (an association certified as working for the public benefit), is a social enterprise working towards the common goals of research, training and education in the areas of community economic development, local employment strategies and technological innovation . It runs an Economic Self-Help Training and Education Centre as well as an Interdisciplinary Research Group (IRG) 'Local Economy'. A key focus of the research and development activities is the creation of jobs through the establishing of social enterprises. Via its work, TechNet has built up a wide range of contacts and co-operative relationships with similar projects, agencies, public sector bodies and enterprises. It brings in a learning package for the development of third sector and social economy organisations which is aimed at particularly disadvantaged persons in rural and urban regions.

1.3.4.2. The Social Economy and the third Sector in Germany

There is no accepted/common definition of third sector/social economy organizations in Germany, neither in the sector itself nor with the German governments at local/regional or national level. In our view these different terms derive from a more sociological view (third sector) or a more economic perspective of organizations which do not belong to the public or private sector economy. Our work focuses on the Social Solidarity Economy which includes social enterprise entities and their intermediary (support) organizations (ISO, e.g. co-operative or social enterprise development agencies).





Our definition/delimitation of social enterprise follows a European-wide consensus:

- They seek to tackle specific social aims by engaging in economic and trading activities.
- They are not-for-profit-organizations, in the sense that all surplus profits generated are either re- invested in the economic activities of the enterprise or are used in other ways to tackle the stated social aims of the enterprise.
- Their legal structures are such that all the assets and accumulated wealth of the enterprise do not belong to any individuals but are held in trust to be used for the benefit of these persons or areas who are intended beneficiaries of the enterprise's social aims.
- Their organisational structures are such that the full participation of all members is encouraged on a co-operative basis with equal rights accorded to all members.

What is the structure of the Social Economy in Germany? We can distinguish two general streams, based on 'older' and 'younger' movements:

A. The 'old' social economy:

1. co-operatives ("*Genossenschaften*"),
2. charities ("*Wohlfahrtsorganisationen*");
3. foundations ("*Stiftungen*") and
4. traditional associations ("*ideelle Vereinigungen*"),

B....and the 'young' social economy:

5. integration/insertion enterprises for and/or of disadvantaged groups ("*Integrationsbetriebe*"),
6. volunteer services and agencies ("*Freiwilligendienste und –agenturen*"),
7. self-managed enterprises of the alternative, women's and environmental movements ("*selbstverwaltete Betriebe*"),
8. self-help initiatives ("*Selbsthilfebewegung*"),
9. socio-cultural enterprises ("*sozio-kulturelle Zentren*"),
10. work integration enterprises ("*Beschäftigungs- und Qualifizierungsgesellschaften*"),
11. local exchange and trading systems ("*Tauschsysteme auf Gegenseitigkeit*") and last, but not least





12. neighbourhood and/or community economy initiatives (*“Nachbarschafts- und Gemeinwesenökonomieinitiativen”*).

They are active in more or less all industries and services, but mainly in the following areas:

- food and housing,
- decentralised technical systems for energy, transport, water supply and
- disposal,
- community-oriented social as well as productive services,
- local culture,
- leisure and recreation,
- environmental prevention as well as repair, and
- municipal infrastructure.

1.3.4.3. Brief on the German Third Sector / Social Economy

We calculate about 2.5 mio. full- time equivalent jobs in the Social Economy of Germany, on the base of two approaches:

1. There is a list of social economy organizations in Germany in the satellite accounts of CIRIEC from 2000:

466,900 jobs in the co-operative sector
150,000 mutual societies
1,414,937: registered associations
Sum: 2,031,837

(But beware: These numbers also include co-operatives and mutuals who do not see themselves as part of the social economy and are not by the above definition. And they exclude a lot of social enterprises which do not fit into the legal forms and/or are not registered!)

2. Another approach is to count the number of third sector organizations but they include non-profit organisations while excluding some not-for-profit organizations (= social economy organizations): The Third Sector comprises ca 105000 enterprises; with ca 2.3 million employees in regular employment. This compares with the whole German economy like this: 3% of all enterprises and 9%





of all workers in regular employment. The added value produced by the third Sector is ca 90 billion €= 90,000,000,000 EUR (4.1%).

(Destatis, CSI (Hrsg.): *Zivilgesellschaft in Zahlen. June 2011, 8*)

Thus, the real or exact number of social enterprises in Germany is not known, it can only be estimated. We assess for Berlin (after a mapping procedure in 2007):

- ca 6,000 social enterprises,
- ca 120,000 jobs in the sector.
- **Conclusion**

In Germany we can distinguish two general streams, based on ‘older’ and ‘younger’ movements. Old: Cooperatives, foundations; young: integration/insertion enterprises for and/or disadvantaged groups; self-managed enterprises of the alternative; community economic initiatives; work integration enterprises;

The main activities carried out by 3rd Sector/social economy entities are: to support vulnerable groups in the population; to facilitate the reconciliation of family and work life; to facilitate inactive women in entering / re-entering the labour market; to support the development and mobilization of human and other resources on a local level, which indirectly can lead to an increase in employment;

Concluding, in Germany in order to make the sector visible it is necessary to carry out mapping procedures in all regions, which have to be updated. Central statistics do not reflect the real number. The framework conditions accordingly are not adapted to the needs of the sector. It is recommended therefore:

- to set up social enterprise alliances;
- to establish dialogues with different levels of regional policy makers and administration;
- to develop information and analyses on nature, size, structure, performance and untapped resources of the sector;
- to develop support structures;
- to promote training and research;
- to develop educational work and public relations;





- to develop legal, economic and political framework conditions of the sector in general.

1.4. Evidences Gathered

Among our partnership we confirm having different realities referring main theoretic approaches to a Social Economy concept: Portugal is a European country in which the concept of the social economy is widely accepted; while in Italy the concept of non-profit sector enjoys the higher level of acceptance; and in Germany the term of the third sector is still predominating. In Cyprus, the Social Economy concept enjoys a moderate level of acceptance and is still emerging.





2. TRAINING IN THIRD SECTOR ORGANIZATIONS

For sharing information on the theme of Social Economy Training, the partners gathered the most relevant information on their country about training on the organizational qualification process on the social economy sector, such as:

What kind of training do your social economy entities need?

- Aims
- Subjects
- Methodology
- Target groups
- Format (consultancy/training/mix, tailor-made, standardized, participatory or not)

What kind of training did your social economy entities had until this moment?

- Aims (eg. organizational qualification, long life training, new areas development, etc.)
- Subjects (eg. fundraising, social responsibility, management and administration, quality management systems, organizational qualification, organizational models, teamwork, conflict management, etc)
- Methodologies (eg. formal, informal, non-formal)
- Target groups
- Format (eg. consultancy/training/mix, tailor-made, standardized, participatory or not participatory, etc.)
- Funding and providers brief characterization (eg. ESF grants, public funds, private funds)
- Social Economy Legal status and intervention field (eg. Non profit association training provider , cooperatives/rehabilitation area, etc)





2.1. Training in Third Sector Organizations according to CNTI

In Cyprus, as in the rest of the European Union, there is a rise in unemployment and economic slowdown, and therefore investing in the population's educational, health and social wellbeing should be set as a priority. The European Union has repeatedly set specific objectives in terms of combating the current situation, by declaring for example, 2010 the 'European year for combating poverty and social exclusion'.

The economic crisis has been having negative impact on the labour market. More specifically, due to the wider economic instability, the unemployment rate has risen during the past decade, with statistical results showing increase in unemployment from 3.7% in 2008 to 7.7% in 2011 (Cedefop, European Union publications, 2012, p. 11). Unemployment rate has also risen, when seen statistic per age group. Unemployment amongst young people under 25 has increased during the last few years, from 13.8% in 2009 to 16.7% in 2010, reaching 22.4% in 2011 and rising (Cedefop, European Union publications, 2012, p. 12).

As the economic situation on the island is persisting, ever bigger percentage of the population is falling through the cracks of the welfare system and battling with the limited resources available to them. This situation outlines an even greater need for the social economy entities to care for these people; most of them falling under the category of "vulnerable groups", such as elderly, single-parent families, people with mental health problems or the homeless, people with a disabilities, migrants and asylum-seekers and last but not least the long-term unemployed. Additionally, social changes such as ageing population, growing cultural diversity and globalisation in general, create new social needs for the majority of the population.

In order to respond to this situation, strategic plans need to be drawn and more effective programmes need to be implemented, through specific services and support initiatives, so that those groups can actively participate and become an integrated part of the society of the island. Furthermore, the lack of funds, especially during this economically unstable period, has hindered the implementation of many and diverse social welfare actions. Given these circumstances, it is therefore very important to for those working in this sector to provide services most effectively and efficiently, to those who all in need (Cedefop, European Union publications, 2010, p. 2). Specialised training and qualification needs to be provided to those working in the sector as to respond to the needs and the challenges arising daily.

The training needed for the people working in this sector should be designed according to the specific orientation of their work, namely:

1. Social Services Providers should be provided continuous training on;
 - People dealing directly with the target group in hand, for example; care and support to people with disabilities(mental or physical)/ children and young people; ethical behaviour and contemporary concerns, methodology and approaches, first aid, legal framework and constitutional rights
 - For the management team of the organisations: basic business skills; for example team management, quality control, Leadership





training, strategy making, marketing and dissemination of information, legal and financial framework;

2. Cooperatives and community development agencies employees/members :

- Legislation and taxation for membership organizations;
- Internal organization (membership list, bureaucratic procedures)
- Event management and leadership training
- Information Communication Technologies (ICT);
- External communication and marketing;

2.1.1. Main Training Agencies

The Human Resource Development Authority (HRDA) is a semi government organization. The HRDA's mission is to create the necessary prerequisites for the planned and systematic training and development of the country's human resources, at all levels and in all sectors.

The HRDA focuses its aims on two major strategic goals:

- The upgrading of the country's human resources, through the continuous and lifelong training and education of those already employed and the new employees in the labour market, of the unemployed, of the inactive female labour force and of the low skilled and older individuals, so as to increase their labour mobility throughout the European zone.
- The increase in productivity and the strengthening of the competitiveness of Cypriot enterprises by making better use of their human resources and increasing their adaptability

KEPA – Cyprus Productivity Centre (CPC): The CPC focuses on areas and actions targeted at supporting the facilitating the adjustment of citizens, organizations, enterprises, the social parties and the states, to globalization

The CPC channels its activities towards the following areas of high priority for the government:

- Provide scientific and administrative support to the Productivity Council
- Promotion of the Modernization of the Apprenticeship System
- Modernization of Technical Vocational Training





- Management of Subsidy Schemes
- Management of European Programs
- Mediterranean Institute of Management (MIM) and International Activities
- Education/Training in management development and promotion of Life Long Learning and Productivity
- Health and Safety in the workplace
- Provide support services to the Ministry of Labour and Social Insurance

Other training centers are under entities subsidized by HRD Authority, training centers operating on a profit model and trainings that take place in the context of EU projects. For local authorities there is a new program: Identification of the Learning and development needs of the district administration offices in the Republic of Cyprus and for tourism and other specialized fields there are specialized organizations.

2.2. Training in Third Sector Organizations according to ERIFO

2.2.1. Training Needs

During 2010, 65% of social enterprises did training for their employees; moreover, in 2010, about 45% of social enterprises hosted staff for stage or internship (Source: data from Excelsior 2011).

Social enterprises are characterised from the necessity of further training which is well above to the average of all enterprises, thus involving 4 of 5 hiring, against a general average of 72%. This is even higher for commercial and services professions, for which it is provided training for about 85% of recruitments.

Concerning the most requested professional groups, in connection with the productive structure of social enterprises, the demand is still mainly oriented towards commercial and services professions (42% of the total in 2011), though it is the technical figures the ones to increase in importance (31%, 4 points more than the previous year). In particular, commercial and services professions reach the 55% of the total in social care and the 58% in the commerce, while the technical figures are about 45% of recruitments provided in education and information technology-





TLC-advanced services and about 35% of the total in health care, strongly increased compared to 2010.

2.2.2. Trainers

In Italy, the training of companies (whatever their type of activity and juridical status) is part of the continuous education. Regardless of the target (from the owners/managers/ executives to the employees/partners) you can find "catalogue offers" or tailor-made offers built ad hoc for the individual enterprise. The procedure to build the training offer is always based on three fundamental steps: analysis of needs, action plan, training implementation.

In the case of catalogue training, the analysis of the needs is realised starting from the single peculiarities of the organization. The element creating some difference in the training offer, thus creating quality, is in the methods regarding the analysis of needs and the implementation phase with regard to teaching methods used and mainstreaming strategies chosen to amplify the results.

The national training offer is differentiated in two large categories: compulsory courses and thematic courses chosen by the individual organizations in order to improve the quality, efficiency or the innovation of their offer. The first group includes all the courses concerning safety at work (which are compulsory for any enterprise, profit and non profit, including associations, foundations and volunteer organizations) or the compulsory courses to update the staff (healthcare, pharmaceutical, educational sector and so on); the second group includes all other continuous training courses.

Basically, the compulsory and refresher courses are catalogue courses, all the others are specifically built for the different enterprises (tailor-made).

The training of enterprises in Italy is realised through the European Social Fund, through some national laws (law 236/93 and law 53/00) and through the Joint Interprofessional Funds. These Funds, covering a wide part of the enterprise training, are managed from associations, promoted by organizations representing Social Parts, through some specific Interconfederal Agreements signed by the most representative trade unions of employers and workers at national level. There are Joint Interprofessional Funds for each economic sector: Industry, Agriculture, Tertiary and Crafts and so on. At the moment there are 20 active Funds.

The training carried out through these funds is financed by 0.30% of the share of the INPS payment (social security tax) that each company - regardless of the training realised - is required to pay. The joint entities (which oversee the interprofessional funds) hold the 0,30 of the INPS tax paid by their members and redistribute it through training. Each enterprise is free to allocate or not allocate 0.30% of INPS tax to an interprofessional fund, but only if it will have the guarantee that the





allocated amount will be returned through training activities aimed at qualifying, in accordance with its own corporate strategies, its employed workers. The Funds, in fact, periodically issue some communications (Public Announcements, Calls and so on) through which they invite the enterprises, individual or associated, to present a training project directly to the interprofessional fund to which they contribute or they can present it through training bodies accredited to that specific fund.

The training requests submitted by the enterprises to the interprofessional funds are well above the resources offer by these funds, therefore not all projects are financed.

The amount of public and private funds for the continuous training of workers in Italy in 2011 amounted to about 5 billion euros (Source: Isfol 2011). During the last years enterprises are showing a growth of interest towards the chances offered by the joint interprofessional funds, which represent the most rich financial tool dedicated to the continuous training: from there they come about 500 million euros a year. In the period between January 2010 and June 2011, Joint Funds approved more than 19.400 training plans in turn organised in more than 108.000 initiatives (an average of 6 initiatives per plan), for a total of 1 million and 900 thousands participations involving more than 61.000 enterprises.

The training plans financed by the Joint Funds have been mainly linked to corporate competitiveness and the updating of the skills of employees. Over 50% of initiatives focused on enhancing the skills of general interest (computer science and foreign languages) and on safety training.

2.2.3. The NEW ENERGIES Model

As example of intervention methodology in the training sector, we here present a project – “New Energies” – in which E.Ri.Fo participated as partner and which had as leading partner the Cisl (National Italian Workers Confederation). The Cisl – a trade union – is an organization falling into the Milky Way of the Third Sector realities. The project was funded through a contribution of the Ministry of Employment under Law 10 No. 125, Article 2 "positive actions".

2.2.3.1. Objectives

The project, starting from an analysis of cultural, organizational and social barriers limiting the number of women at the top of the union, planned to build within the union a learning and practice community of women working in this field, community spread on a national level and transverse to the working sectors. This community had the goal to be an incubator for future managers and executives acting on enhancing their skills, developing their awareness and a correct self-proposition and planning ability.





A specific training, calibrated on the base of a balance of their skills, was given to 30 women who after their training acted as peer trainer for a wider number of colleagues (about 500) with whom they built up an operational network and a learning community constantly updating.

2.2.3.2. Purpose

The purpose of the project was to promote, within a trade union, the presence of women in leadership and management through the creation of specific training courses for the acquisition of top and/or responsibility competences and the implementation of best and new practices for an integration plan concrete in the executive structures. This last phase, is intended to strengthen the results of the project, expanding the number of recipients (women and men) through the realisation of mainstreaming workshops, as the product itself of the training course, to promote opportunities for reflection and an extended project analysis between the women participating in the project and their male colleagues and managers.





2.2.3.3. Target of intervention:

- 30 women trade union representatives, beneficiaries of the skills assessment and of the training course
- 500 women trade union representatives beneficiaries of the network and materials developed from the project
- 100 men in leadership roles within the trade union

2.2.3.4. Contents of the training course

Module	Contents	Classroom hours	E-learning hours	Total hours
Module 1	New technologies for the cooperative learning and the peer trainer	8	6	12
Module 2	Leadership and managerial competences	12	12	24
Module 3	Self promotion and effective representation	8	8	16
Module 4	Planning techniques and programming	6	6	12
Module 5	Creating and managing workgroup and network synergies	6	8	14

New ENERGIES training course contents table
Source: EriFo

2.2.3.5. Intervention methodology

- Training and empowerment needs analysis through a balance of leadership skills and attitudes;
- creation, through the website dedicated to the project, of a virtual community driven by specialists of virtual communication;
- selection of the beneficiaries of the course;
- delivery of the training course (blender methodology – classroom and distance learning: duration 80 hours);
- monitoring and validation of acquired competences;



- tutoring to the workshops organisation;
- dissemination and diffusion of the training model (horizontal mainstreaming) through touring seminars organised and run by groups of women beneficiaries of the training course, with the assistance of a project tutor.

2.3. Training in Third Sector Organizations according to FENACERCI

2.3.1. Training Needs

Under the Project Q3 experience (280 third Sector entities), the proposed measures more frequently were the following depending on their legal status

1. For local development associations (LDA's):
 - Financial sustainability
 - Management and strategic planning;
 - Management and analysis functions
 - External communication and social marketing
 - Teamwork and conflict management
 - Quality Systems
 - Project Management
 - Software tools

Target groups: employees of organizations

2. Associations of Culture and Recreation:
 - Legislation and taxation for membership organizations;
 - Internal organization (membership list, bureaucratic procedures)
 - Organization of events,
 - Information Communication Technologies (ICT);
 - External communication;
 - Training of leaders





Target groups - members, volunteers

3. Social Solidarity Cooperatives

- Improvement of technical skills: care / intervention with disabilities; ethics and ethics, safety in public transport, methods of intervention with children and young people, mobilization of people and cargo, the most common pathologies in the organization, providing care at home; first aid; and basic life support;
- Human resources management work organization: team management, interpersonal conflict mitigation, management and evaluation of performance and planning / organization of work;
- Improving the quality, service and customer orientation, quality management system; SHST good practices, HACCP and HSST, and quality of organizations and services,
- Leadership and improvement in the efficiency of the organization
- External communication and social marketing

Target groups - Leaderships, employees and volunteers:

2.3.2. The Q3 Model

2.3.2.1. An idea and a partnership

In order to give answers to the challenges faced by third sector organization in Portugal, several public programmes, at national and European level, were created, namely EQUAL CI (CI-Community Initiative) and POPH, aiming at the promotion of social innovation and the qualification of third Sector. This is the framework for several Portuguese projects, developed by a partnership of organisations, under the umbrella-name of “Q3 - Qualification of third Sector”.

This partnership is composed by seven organisations, located in various regions. The main features that characterise this partnership are: a cooperation protocol; shared ethical values and principles of action and relationship; and the fact they are very different in their dimension, scope and juridical form, but act as a partnership, complementing each other. The partnership is composed by:

AEP- Associação Empresarial de Portugal – the largest Portuguese enterprise association;

CPCCRD – Confederação Portuguesa das Colectividades de Cultura, Recreio e Desporto – a confederation of popular associations/colectivities;





FENACERCI - Federação Nacional de Cooperativas de Solidariedade Social – a federation of solidarity cooperatives dedicated to special education and people with disabilities;

IEBA – Centro de Iniciativas Empresariais e Sociais - a local and business development association;

IN LOCO - Associação de Desenvolvimento Local - a local development association;

MINHA TERRA - Federação Portuguesa de Associações de Desenvolvimento Local – a federation of local development associations;

UTAD – Universidade de Trás-os-Montes e Alto Douro – a University.

2.3.2.2. Origins, approach and organisational focus of Third Sector qualification projects

Q3 results from an experience started in 2001 with a project named “C3-Consultancy for the third Sector”, supported by EQUAL CI, until 2006. With this project it was possible to adapt and experiment a qualification methodology, which revealed to be very efficient in solving problems of third sector organisations; this methodology or model of qualification was developed and tested in a pilot experience in six Portuguese organisations, in the central region of the country. After this pilot experience, another project was implemented by the same partnership, in Algarve region, between 2007 and 2008, involving another nine third Sector organisations.

After this EQUAL project, another one was implemented by this partnership also with the support of EQUAL CI. One of the main conclusions of the C3 project was that a significant part of third Sector organisation problems could be solved with ICT (Information and Communication Technologies) tools, especially in areas such as marketing, management and communication. This was the framework of project “D3-Digitalise third Sector”, which was developed by the same partnership between 2004 and 2008; this project was supported by a new pilot experience in region Centro, involving four third Sector organisations, by helping them to improve their performances by using free/open source collaborative ICT tools. As a result, a Manual on “Management and Marketing Digital Solutions to Not for Profit Organisations” (also with an on-line version, but only in Portuguese) was published.

These C3 and D3 projects highlighted and confirmed the need to qualify third Sector organisations and their staff (including, boards, workers and volunteers), the need to use adapted methodologies to the specificities of this sector, and the importance of creating a public programme to support this qualification process in a large/national scale. This was the context and at the same time the moment when the Portuguese National Strategic Reference Framework was being designed, for the 2007-2013 period. The Q3 partnership developed and presented to a public funding





programme a proposal to support the creation of a national third Sector qualification project. This proposal was widely spread and presented to third Sector organisations, as well as to key public organisations and strategic decision makers (politicians, social partners, public organisms). This process ended up with the inclusion of a training programme for Social Economy Organisations, in the Portuguese POPH. Since 2008, the Q3 partnership has been supported by this programme and has implemented the Q3 qualification model, at a national scale, in 189 third Sector organisations, such as: social solidarity institutions (giving support to old people, children, and people with disabilities), local development associations, leisure, cultural and sportive associations, cooperatives, mutuels, foundations.

This model is based on a problem diagnosis, done in a participatory way, followed by a tailored development plan with several short term action-training courses and consultancy work, implemented, continuously monitored and evaluated. All steps and results benefit from the participation of all organisations (board, staff and volunteers) and are continuously presented, monitored and evaluated by all concerned actors. This model is conducted by external generalist consultants and the training courses are facilitated by external specialist. The model generates professional/personal development, increases qualifications, improves the organisation performance and quality, and promotes personal and organisational empowerment

2.3.2.3. An example: the qualification of local development associations

These organizations were subject to a participatory process of organizational assessment or diagnosis, which allowed the identification of a set of problems that were the target of Q3's subsequent action-training and consultancy work. The main activities that supported this diagnosis were: Auscultation of leaders and staff, through individual interviews; documents analysis; sector and context analysis; construction of problem trees (identify the problems and establish causal relationships); definition of current and desired situations; construction of trees of objectives (set the objectives of training and consultancy).

The participation of members of the organization was promoted through: meetings with leaders to prepare the process and pre-validate the diagnosis' reports; meetings with internal facilitators to prepare and operationalize the implementation of planned activities; and general sessions with leaders, managers and staff, for presentation, debate and approval of diagnosis documents, action plans and measures.

The 17 studied LDAs presented a diverse set of problems that can be organized in five major areas: lack or failure in setting a strategy; poor leadership; lack of financial sustainability; gaps in human resources training; organizational weaknesses, poor communication and others. The lack of a clear strategy is a recurrent problem. The fact that public policies, particularly the EU





programs, are continually changing, certainly contributes to the generation of uncertainty about funding and a lack of direction. The following Box illustrates the needs and expectations of some LDAs, using the words of the interviewed people.

Box 1. Needs and Expectations of some LDAs Regarding Q3's Work

We need something to help us evaluate the structure of the organization. ... This is a project that touches the organizational dimension. I'm thinking about the organization in a way I had never thought about. From now on we will have to think in a different way. ... To have people involved is already a step ... a change in their attitude, they have to see the organization as their organization. It would be a great result if people could understand that the sustainability of the organization requires a change of their attitude, they should be more pro-active ... we want to be recognized as a reference institution in our territory in our fields of work. We want to have a team with a professional attitude, more aggressive. We should have a strategic view and a plan and not serve as mere executors ... (Coordinator of the LDA 1).

The association has a new dynamics, more staff, and new facilities. We need internal rules and procedures ... perspectives of future development and sustainability, administrative guidelines, performance evaluation mechanisms. (in the future) We should be in a higher level, with more internal cohesion, working with our own methodology, offering professional services, capable of facing the next (EU funding) period, capable of adapting to change (Coordinator of the LDA 2).

This is an opportunity to improve the services we provide and also to reflect internally. ... Our staff members need to gain confidence and control better the day-to-day routines, so they can do other things. We want to work more in the area of cooperation for development and to improve our knowledge and work capacity. We should not be a mere counter of the Ministry of Agriculture and Rural Development. We have to be more ambitious, gather means to do our work of territorial development. We have to gain financial autonomy by selling better what we do well (Coordinator of LDA 3).

The lack of leadership is, in many cases, a major problem of the LDAs. The fact that the Board of Directors are composed of voluntary people who work politically or professionally in other organizations, with limited time (for instance, the case of mayors), often absent, is pointed out, in some Associations, as a major problem. In this context, the technical teams assume, in many situations, the formal representation of the Association, and the technical coordinator assumes, in practice, the leadership. The low participation of the elected Boards is also seen as a factor hindering the future sustainability of LDAs.

The lack of financial sustainability of these organizations is a common and recurrent problem. For many Associations this problem corresponded to the major motivation to join Q3. To





the unsustainability of the various organizations contribute factors such as the lack of strategy, the high dependency on EU programs and public support, the internal inefficiencies, and the poor (or absence of) provision of services to the community.

In terms of human resources, several weaknesses are referred, leading to the demotivation of staff members, including the high dispersion of tasks, the assumption of various functions and the mismatch between the tasks performed and the formal qualifications of people. A critical area concerns the lack of skills for teamwork and conflict resolution.

The problems related to organizational weaknesses are common to many LDAs, namely: lack of authority of leadership; ill-defined hierarchical model; blurring roles of collaborators; ineffective communication channels; and heterogeneity of internal procedures. Another problem identified with much emphasis is related to communication failures, both within the organization and with the community, as well as with the partners. Internally, informal processes of communication remain dominant, and very often are not adequate to the current requirements. In relation to external communication, the leaders and employees of the LDAs report that their work is often not recognized and valued by the community and/or the institutional actors. Apart from the issues mentioned, others are also pointed out, such as the weak involvement of partners, malfunction of the organizational structure and the high bureaucracy attached to project applications and management.

The action-training and consultancy measures applied in the LDAs in the frame of Q3 aimed, above all, at the increase of sustainability by introducing improvements in the following areas: strategic planning and management; organizational models, with the definition of roles, responsibilities and hierarchical dependencies; organizational planning, improving the performance, efficiency, operation and internal communication; employee performance, through the development of technical skills (project management, NICT, foreign languages), better time management and teamwork; leadership and management of internal conflicts. External communications and social marketing also received significant attention. The contacted leaders and managers evaluated the results of the interventions quite positively.

2.3.2.4. Adding a European dimension to Q3

The work done by the partnership consolidated a coherent and flexible model of qualification; the experience accumulated by the partnership is now significant and the model has now sufficient maturity to get out of its relatively restricted circle, and be shared with partners at the European level. With Q3.eu we wish to learn, to cooperate, to innovate, and to acquire a significant European dimension





2.4. Training in Third Sector Organizations according to TECHNET

2.4.1. Training Needs

These are the training needs and training provisions in Germany:

Training programmes which

- reflect and learn from international experiences and perspectives
- analyse and debate the overall cultural, social, environmental as well as economic framework in which the Local Social Economy is embedded
- analyse and develop practical policies and strategies on a macro as well as micro-economic level
- include and use theoretical thinking and empirical research to influence practical work.

2.4.2. To whom should the training be provided?

- To practitioners, workers in, and managers of social enterprises or related social economy organisations
- To supporters of social enterprises or related social economy organisations
- To consultants, researchers, managers and other staff members of intermediary organisations supporting the Local Social Economy
- To politicians and administrative staff members of national or regional government or local authorities who are interested in the Local Social Economy
- To post-graduate students who want to learn about and prepare for work in the social economy

2.4.3. What kind of training do we already have?

- Aims -To improve the performance and social integration of all target groups
- Subjects - Work, Economy, Community, Social Enterprise
- Methodologies - Formal training courses, Self-learning
- Issues - alongside the practical problems participants face, there are several problems in implementing nearly non-existing training objectives like e.g. micro-economics for social enterprises.





- Format - through our BEST Agency, we provide accompaniment, coaching, further education training courses, and problem-oriented workshops

The assessment criteria for methodologies of training should be adapted to the needs and aims of training: Accordingly to the subjects and the organisations and learners, these may be:

- Formal,
- Informal or
- Non-formal

The assessment of training therefore may be very different, and certificates may reflect totally different types and products of training.

2.4.4. A transnational example: The CES T Learning Package

The Curriculum CEST is a European-wide attempt to enhance the performance of social enterprises and their supporters by adequate training; it's available online at www.cest-transfer.de

This Learning Package and curriculum was co-ordinated by Technologie-Netzwerk Berlin e.V. and developed with the support of the European Union, in the Leonardo Innovation Transfer Programme.

Further Training in the area of Local Social Economy is not very much mainstreamed so far; its quality could be improved either. The objective of this project was to transfer an already successfully tested prototype curriculum in a way that multipliers individually can apply, assess and monitor it. National relay stations in Germany, Italy, Poland and the United Kingdom secure the transfer of the curriculum and the outcome of successful results. Theories, methodologies and instruments were transmitted to potential multipliers in the mentioned countries to identify the conditions of transfer and to mainstream them in an intermediate process. Outputs of the projects are a handbook and an international conference on this subject through which other interested users can participate. On the one hand the fragmentation of further training in the Local Social Economy are overcome, on the other hand, sustainable structures of transmission are institutionalised.

The partner organisations of the project are experts of further training for social enterprises and local development; they have already networked for a long time. By identifying the conditions of transfer and the individual adaptation of the curriculum to the individual conditions in the countries and regions of our partners, we promote the adaptation and mainstreaming of good practice





in this innovative area. We also optimize the work of multipliers and by that achieve the improvement of life and work of people who were excluded from economic and social participation of society so far. At the end of the day, an intermediate learning infrastructure which facilitates successful enterprise development is available and at the same time an improved integration of people into the economy and society will be achieved.

The curriculum is already implemented at the Glasgow University, the Social Enterprise School in Edinburgh, at the University of Applied Sciences in Potsdam, and parts of it in Italy and Poland.

The European Learning Package (Curriculum) for Social Enterprise Practitioners and Supporters

- is developed in a common process of British, German, Italian and Polish collaborators;
- with support from the Lifelong Learning Programme of the European Union (in the Leonardo ToI programme).

The Learning Package is designed for multipliers, i.e.

- practitioners and supporters of social enterprises or related social economy organisations
- consultants, researchers, managers and other staff members of intermediary organisations supporting the Local Social Economy
- politicians and administrative staff members of national or regional government or local authorities who are interested in the Local Social Economy
- post-graduate students who want to learn about and prepare for work in the social economy

The overall objectives of the learning package are to...

- understand the emergence, the nature and future perspectives of the Local Social Economy Movement
- analyse and reflect the overall framework in which the Local Social Economy Movement operates
- analyse and develop practical policies and strategies for Local Social Economy organisations





- analyse and reflect on the successes and failures of Local Social Economy organisations
- improve the performance of consultants, researchers, politicians, managers and other staff of intermediary organisations as well as public authorities in relation to Local Social Economy organisations
- improve the performance of activists, practitioners and supporters working for and with Local Social Economy organisations

‘Local Social Economy’ is neither clearly defined nor generally accepted. There is currently a confusing variety of different terms which are used for similar economic activities - like

- the ‘social economy’,
- ‘solidarity-based economy’,
- ‘community economy and community economic development’,
- ‘local economy and local economic development’, ‘people’s economy and people-centred development’,
- ‘third sector’ and ‘third system’ - to mention only the most frequently used

All of these terms are explained and delimited in the CEST Manual.

The present crises in the world economy and the fall in the financial markets remind us that the social cohesion in our societies – both in the North and South - is endangered by deeply rooted systemic crises in work, the economy and in communities:

1. Crisis of Work
2. Crisis of the Economy
3. Crisis of Communities

Accordingly, the learning package contains 4 Modules:

- Module 1: The Future of Work
- Module 2: The Future of the Economy
- Module 3: Community Development and the Community Economy
- Module 4: Developing a Social Enterprise Culture





This Learning package is ideally designed for a half to one-year post-graduate course running alongside professional work with up to 40 days of personal attendance in intervals of two days every two weeks (a full curriculum timetable is attached) but all users should feel free to develop their own format.

The Learning Package could also be used as the starting-point for the development of more specialised courses - selecting parts of the programme, regrouping and eventually expanding modules according to the needs without losing the rationale.

These are the methodological principles:

- The courses should be centred on the learners and their needs.
- The learners should take responsibility for their own learning under each of the modules.
- The learning should be connected with individual research projects.
- There should be a connection and balance between theory and practice.

These are the Structures of the modules:

- introduction and four (or more) topics:
- learning topic objective
- set of introductory hypotheses or statements suggested exercises
- suggested tasks or research projects for the learners
- feeding back the findings from the tasks carried out by the learners.
- description of the expected outcomes for the learners and the expected outputs from the topic.
- additional information on already existing research as well as best practice examples of tools and instruments.
- a list of sources, websites and further reading.

The modules contain:

- **Module 1: Future of Work**





1. Definitions and delimitations of 'Work'
 2. Historical development of work and employment
 3. Employment and labour market policies
 4. Strategies and recommendations
- **Module 2: Future of the Economy**
 1. Trends of the globalised economy
 2. Local economic development
 3. Emergence of a social solidarity-based economy
 4. Third sector and the civil society
 - **Module 3: Community Development and the Community Economy**
 1. Community development and the social dimension
 2. Community development and the ecological / environmental dimension
 3. Community development and the cultural dimension
 4. Trends in community development and perspectives of sustainability
 - **Module 4: Developing a Social Enterprise Culture**
 1. Setting up sustainable enterprises
 2. Social capital as an economic resource
 3. Running social enterprises differently 1: management, marketing and auditing
 4. Running social enterprises differently 2: alternative financial instruments

The Curriculum's manuals can be found in English and German Language at the website:
www.cest-transfer.de

2.5. Q3.eu Project Partnership's Outcomes on Training

Many of the training needs in the organizations surveyed are transverse (Baptista and Cristovão, 2004) i.e. they are inter-related, for instance the issue of financial sustainability that depends on several variables, however, to facilitate analysis we join them into seven categories:

- **Leadership.** Board members are volunteers and have their own professional activities outside the organization which prevent them from devoting enough time to the NPO where they are not remunerated for their activities. This leads to several problems: lack of authority/recognition from technicians with responsibility for implementation and coordination, difficulty in quick process making decisions. Derive many of this issue of crucial importance in the organization;
- **Human resource management.** This is one of the biggest problems organizations and reflected in different ways: interpersonal conflicts, turnover of human





resources, lack of performance indicators, dualities of criteria, low pay, many of these problems are the result of skills shortages;

- **Financial management.** There are several problems here identified and the resulting lack of staff skills in this area, including bank reconciliation, cash management, difficulties in implementing cost accounting, poor operational management;
- **Funding of organizations.** The high dependence on public money, the low provision of services abroad by some of these organizations, with some cash to take breaks, lack of financial autonomy and strategic;
- **Lack of strategic plan.** Many of these organizations is not well defined what are its objectives and strategy to achieve them, lacking pro-active attitudes, lack of leadership and financial autonomy does not help to define the strategic plan;
- **Internal and external communication.** Internal communication has many gaps. Lack of publicity material and dissemination of outdoor activities, no website. This problem as an image derived from other organizations ill-defined, low visibility;
- **Equipment and installations.** Disabilities resulting from a shortage of space, or lack of conditions, but whose resolution depends on measures which go beyond the action of C3.

Referring to challenges for the future we share the first following 4 challenges defended by R, Franco, UC (2005) and added the fifth:

- Increase public awareness about the sector;
- Strengthen the legal framework;
- Improve the capacity of civil society;
- Improve the relationship government - third sector organizations.
- Improve the performance of organizations, reaching its objectives and ensuring their sustainability.

We would add to the above challenges that it is also needed organizational qualification of these organizations, because many of them present problems for which answers must be found, namely the (un) sustainability of these organizations, and less dependence on the state.





The study conducted under the Intergroup "Social Economy" of the European Parliament (2009) recommends the study of the performance of these organizations and calls for the creation of programs that encourage experimentation with new economic and social models, the launch of the framework programs for research and the establishment of instruments for measuring economic growth from a point of qualitative and quantitative.

Portugal thus assumes a level of development through the level of internal connections between Third Sector organizations, their visibility in the media and the scientific community and also the level of recognition by public authorities – as in its stated in our Constitution and in the recent Social Economy Law – June 2013.

The fact that a program within the POPH – QREN (European Social Funds and State funds) specific for this sector is proof of the importance and recognition of the public and political sector.

2.5.1. Visit to organisations that implemented the Q3 qualification model in Portugal

European partners met the Q3 Project regional coordinator (Miguel Sá) and visited two organizations where the Project Q3 organizational qualification methodology was implemented in 2008/2010. At MONTE and CERCIMOR we have implemented the Q3 Model qualification methodology based on: A problem diagnosis, done in a participative way; Tailored development plan with several short term training courses and consultancy; Continuously monitoring and evaluation after implementation. Miguel Sá presented in detail the milestones of this implementation methodology and explained in concrete the entire model, illustrating each step with these two organizations real experiences that could be considered good practices.

MONTE and CERCIMOR's board members spoke about the favourable results and outcomes they got through this model implementation for their organizations. They testify that all steps and results benefit from the participation of all collaborators' (board, staff and volunteers), they were also continuously presented, monitored and evaluated by all. They showed high degree of satisfaction with external consultants and training courses that were given by external specialist trainers. From their experience, this model generates professional/personal development, increases qualifications, improves the organisation performance, quality and promotes personal and organisational

2.5.2. Two-day workshop on Training in Rome

Q3 project partners met at E.RI.FO head office in Rome. The partnership took part, besides the project meeting, in workshops organized by the hosting partner. These workshops had as main goal to demonstrate some examples of training service providers, practical examples of qualification





in the third sector (such as the case of the social housing) and the new employment opportunities in the third sector sector itself (as evidenced by the case of the Italian no-profit association Fonopoli).

In the 2nd April workshops, lecturers reported about the social enterprise in Italy and the Italian partner presented its e-learning platform.

In the morning workshop, Nadia Tommasini, president of the social cooperative Colunia-Onlus, gave a report on how the SOCIAL AND HEALTHCARE ENTERPRISES WORK IN ITALY. She explained how the social enterprise, operating along the mutual cooperation principle (not remunerating its venture capital) can be an economic model able to be an excellent economic drive if it is enhanced, especially during recession times. Moreover, cooperation also is the enterprise model that can complement at best with the functions of the Public Administration thus allowing containing costs, which is something vital in order to cut the Public debt of recessionary States. The social enterprise has also become a model to the profit enterprise: once it was the no-profit organization “stealing” the profit organization structure, now the opposite occurs with the profit organizations imitating the social enterprise. Finally she also stressed the importance and the need for a shared strategy across Europe in order to catch needs and opportunities from the local territories but then manage them through a unified European methodology also concerning the European funds distribution.

A second contribution was given by Cosmo Colonna, member of the Industry and Industrial Relations Department of the CISL (Confederazione Italiana Sindacati dei Lavoratori) a trade union, who reported on the Italian “state-of-the-art” in general and also talked about the specificity of social cooperatives providing an overview of the situation in general and also giving some more technical data on history and trends of this sector in Italy. He started from the legislative evolution governing the social cooperative and associations, went on describing the long tradition Italy has when talking about social cooperative (this concept arose in Italy earlier than elsewhere) and giving some data about the different types of social cooperatives and about how many members a cooperative can have. He then explained which key factors favored the important growth of the social enterprises in Italy starting from their social and voluntary engagement and getting to the important contribution they can provide to innovation by giving new services for new needs or by replacing bureaucratic and hierarchical structures with participatory ones.

In 3rd April workshops, there were some presentations relating to the social housing in Italy, to different kinds of training courses and to the opportunities the third sector can provide in the field of Arts and Culture.





In her intervention Sara Pellegri, national secretary of UNCI Lazio, explained U.N.C.I.'s role in the third sector. She explained what UNCI is (a territorial structure governing an association of cooperatives operating in every economic sector) how it is divided and what it does in ruling and supporting the activities of all the social cooperatives which joined the association.

In his contribution Roberto Librandi, President of the Consortium of the social housing cooperatives and vice-president of UNCI, spoke about the Italian enterprises cooperation in the social housing, also giving a practical example of how a social housing cooperative works in Italy.

In Maria Pia Fiacchini presentation, director of the cultural association Fonopoli, it was described how the association is active in providing job opportunities in the field of Arts and Culture. This association aims to promote young people employment in the Art, culture and training fields by giving a job opportunity to all those people with a special talent in music, writing, and cinema and so on. To achieve this goal, Fonopoli organizes professional training courses and national competitions, produces musical and artistic publications, and realizes many cultural events to promote its talents.

Finally, Alessandro Amato, trainer and vocal coach, presented his training courses realized for personal empowerment: his teaching method – through the control of voice, posture, gesture, facial expressions, dress code – aims to let the learner being able to strengthen their personal empowerment. He explained how his educational approach is highly useful in training teachers and all those people operating in the field of healthcare and social services.

2.5.3. Survey on third sector / social economy methodologies in Germany

On the 4th of June, Guenther Lorenz presented the host's organization - which is an intermediary social enterprise, serving the local social economy. This presentation was followed by a survey from Dr Karl Birkhoelzer, on the third system / social economy in Germany and the EU. Another presentation on a European Curriculum for the Local Social Economy which leads to a certificate, at the Potsdam University of Applied Sciences www.cest-transfer.de (cofunded by the EU Leonardo ITP Programme), was given by Dr Lorenz.

This Learning Package lists a number of subjects and issues which can be used flexibly by the learners. However, there are a number of general principles around the methodology and they are:

- the courses should be centred on the learners and their needs
- the learners should take responsibility for their own learning under each of the modules
- the learning should be connected with individual actions and projects
- there should be a connection and balance between theory and practice





To achieve this, the courses should have a balance between phases of new information including debate; and self-organised exercises for the learners. Each module will offer a set of hypotheses and statements for debate and further elaboration as well as a number of suggestions for practical exercises or research projects to verify or falsify the introductory hypotheses. These exercises can be done individually or in groups. The results of these exercises or projects should be debated, put together and presented as the final output of the modules and finally of the full course. A possible certification then could be based on that portfolio of work.

A project monitorization, including the Rome meeting evaluation results, dissemination issues, and the networking and communication followed. In the afternoon, the social audit approach, a social accounting and auditing procedure, adapted to the needs of 3rd sector organizations, social enterprises included, finalized the working programme. In the evening, the guests were invited to a meal in a multi-cultural social enterprise in the borough of Friedrichshain-Kreuzberg. Next morning, the Cypriot Neuroscience & Technology Institute presented their organization's goals, and the training and certificates they provide for their clients, including their didactics and methodologies. Thereafter, the partners were asked by the representative of University of Trás-os-Montes e Alto Douro, in a focus group discussion, to detect important information for the interim evaluation. Organized in a very well structured way, the benefits of the projects, on some problems and recommendations how to overcome them, came out of this discussion. At the end of the meeting, a final balance of the meeting was made: Determination of the activity report, evaluation report, and the interim report, and next newsletter, • Tasks and timescale definition for the future, Preparation of the 4th partnership encounter, including its objectives, activities, and expected results, and the timescale definition. Our discussion was vivid and creative, bringing about more clarity about the subjects we spoke and richness of experiences, our partners could share with us.

2.5.4. Structured Democratic Dialogue Process workshop on training in Rome

The Rome workshop in May 2013, was a result of the Nicosia workshop (held in November 2012), where the partners participated in a Structured Democratic Dialogue Process workshop where by answering the Triggering question of “What are important Characteristics that would assist an SEE to achieve its mission in a sustainable way?”, identified that one the most important characteristics for SSE to achieve their mission in a sustainable way is to “Give special training to social economy trainers and consultants“.

In Rome, the partners elaborated the Nicosia results and identified two possible Triggering Questions (TQ):

- Which themes/ areas should be included when designing ideal curricula for social economy trainers and consultants?





- What aspects/capabilities of already developed resources or development agencies are important for social economy qualification?

The participants decided to proceed with a second SDDP workshop with Triggering Question (TQ), “Which themes/ areas should be included when designing ideal curricula for social economy trainers and consultants?”. There were 13 participants from Italy, Portugal, Cyprus.

After the group chose the first TQ, each participant start to work with producing IDEAS. Firstly each partner identified two ideas-two important elements that are essential to design an ideal curricula for social economy trainers and consultants. The participants identified 18 ideas:

<i>Idea 1</i>	<i>Legal Framework</i>
<i>Idea 2</i>	<i>Strategic Management</i>
<i>Idea 3</i>	<i>Fundraising</i>
<i>Idea 4</i>	<i>Innovative Deducting</i>
<i>Idea 5</i>	<i>Human Resource Training</i>
<i>Idea 6</i>	<i>Social Marketing</i>
<i>Idea 7</i>	<i>Sustainability of Key Factors</i>
<i>Idea 8</i>	<i>Human resources management</i>
<i>Idea 9</i>	<i>Leadership Areas</i>
<i>Idea 10</i>	<i>Business Skills</i>
<i>Idea 11</i>	<i>Initial Social Economy training</i>
<i>Idea 12</i>	<i>Advocacy</i>
<i>Idea 13</i>	<i>Manager Skills for strategic focus</i>
<i>Idea 14</i>	<i>Motivational Training</i>
<i>Idea 15</i>	<i>Practical Knowledge about the third sector</i>
<i>Idea 16</i>	<i>Team Building</i>
<i>Idea 17</i>	<i>Problem solving</i>
<i>Idea 18</i>	<i>Quality standards</i>

Each partner then proceeded in defining their ideas. Some examples were:

- Legal framework: changes and new requires specific training
- Strategic Management: special to lead the organization to a sustainable future
- Human Resource Training: the need of specific training in staff management





- Social marketing: strategic ideas for “selling” the organisations service
- Leadership area: how to lead, to motivate, to organise a group work
- Motivational training: to create tools and development skills to motivate human resource
- External communication: the need to create tools to show our activities and practices
- Team building and problem solving

Then, the rest participants could ask further questions on the ideas as to better understand them, which led to further defining them. For example:

- Advocacy - it was defined by its owner-participant as: the ability to do a priority to the aims of the organization with training. After further questions, the participants were able to define this idea as similar to lobby.

Following this part of the workshop, the participants were asked to categorise their ideas and the ideas were classified in 3 clusters:

1) Strategic management

- Legal framework
- Strategic management
- Fundraising
- Social marketing
- Business skills
- Advocacy

2) Human resources management

- Leadership area
- Motivational training
- Team building
- Problem solving

3) Social economy framework



- Initial social economy training
- Practical knowledge about the third sector

Then the participants were asked to vote the ideas that in their opinion were most important in answering the TQ. The results were:

- Strategic management- 7 votes
- Human resource management - 7 votes
- Initial SE training -6 votes
- External communication -4 votes
- Fundraising -3 votes
- Legal framework- 2 votes
- Business skills -1 vote
- Problem Solving- 1 vote

Root Cause Mapping Data Report

Matrix

	19	8	3	2	11	17	1	10
19	1	0	0	0	0	0	0	0
8	1	1	0	0	0	0	0	0
3	0	0	1	0	0	0	0	0
2	1	1	1	1	0	0	0	0
11	1	1	1	1	1	0	0	0
17	1	1	1	1	0	1	0	0
1	1	1	1	1	1	0	1	0
10	1	1	1	1	0	1	0	1

Reading the Matrix

Reading across the matrix (in a row), a "1" in the row indicates that the in the left column influences the at the top of the row where the "1" appears. Conversely any column below a in the top row with a "1" indicates that the is influenced by the Factor on the left edge. A "0" indicates no relationship. Factors always influence themselves.

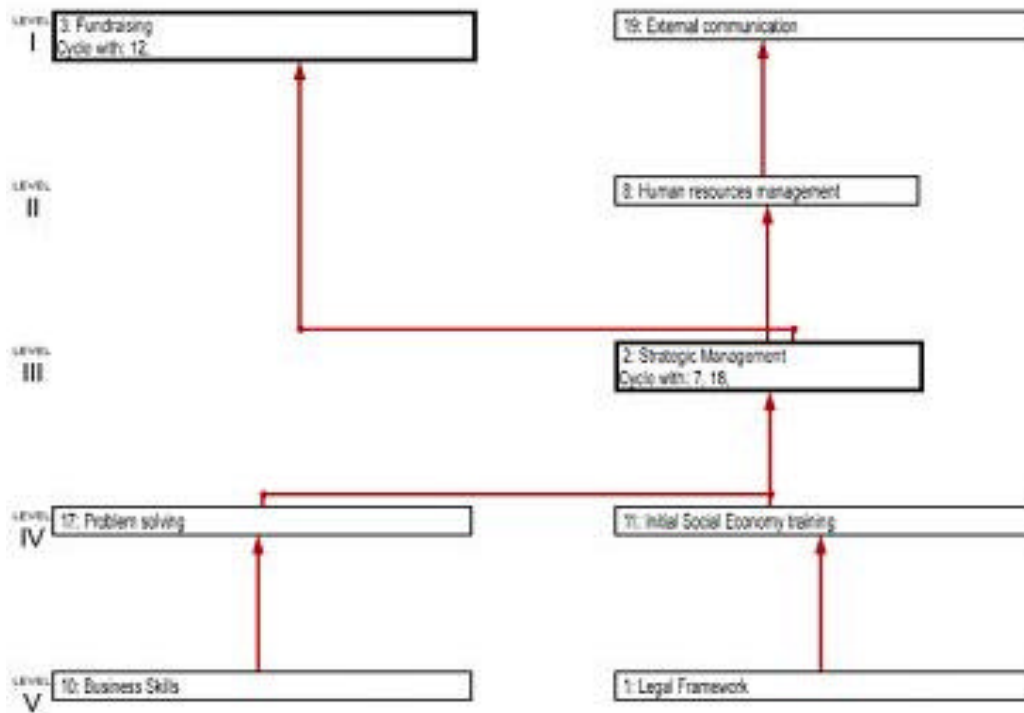
- **Influence pattern of factors: how the ideas are connecting and how relevant they are regarding the TQ?**

The voting results were used to select factors for the following structuring phase which aimed to identify the inter-relations among the generated ideas. With this process the participants were able to generate the following Root cause map. The map can be read from bottom up, showing



at the bottom the ideas that have strong leverage inhibitors, in other words the more influential - the ones that will make the rest ideas be achieved easier and at the top the symptomatic inhibitors.

The participants, within the given time, managed to create a map of 8 ideas. The map that the participants created through this process is below:



▪ Results of the Workshop:

The participants concluded, that in regards to the Triggering Question (TQ), “Which themes/ areas should be included when designing ideal curricula for social economy trainers and consultants?”, the areas/themes that should be included first in an ideal curricula is Legal Framework and Business Skills. Those two ideas, being in the bottom of the map signifies that they are the most important to include and will be the most influential in including the rest themes/ areas in an ideal curricula.

2.6. Evidences Gathered

About training this partnership has a common vision about the training needs on the sector: in a macro approach social economy framework should be considered and in a micro approach addressing the organizations specific needs on: strategic planning and management (organizational models, organizational planning, improving the performance, efficiency, operation and internal communication; employee performance, through the development of technical skills (project



management, ICT, foreign languages), better time management and teamwork; leadership and management of internal conflicts, external communications, social marketing, benchmarking, fundraising), human resources management (Leadership area, Motivational training, Team building, Problem solving qualification) and human resources qualification.





3. QUALITY AND CERTIFICATION IN THE THIRD SECTOR

3.1. Economic rationale of the non-profit or not-for-private-profit versus profit sector?

If the purpose of these organizations is to maximize income - or have profit in their services - the role of economists is simplified.

Economic studies conducted by Eleanor Brown and Al Slivinsky (2006:154) state clearly that the non-profit sector has a different economic behaviour of the sector profitable and these differences are not solely the consequence of its internal context. There is evidence that the quality of service, prices, the difference of products offered, indicate that the non-profit organizations pursue objectives other than maximizing profit. That is, non-profit organizations are not generally profitable companies in disguise.

Deviations from the maximization of profits are generally consistent with the objectives of this optimization-based organizations, such as providing quality and increase the quantity consumed by the target audiences.

Authors such as Campbell (Campbell, 1999: 35) consider that the third sector organizations have an important role in the development of social capital and the quality of their service offers a comparative advantage which is not affected by contracts based solely on price.

Currently, most NPO have realized the importance of effective management, because they realized that not only the good will is enough for surviving, for that forms of market-oriented management, organizational learning, innovation and performance has to be implemented. As stated by Drucker (1994) these organizations must have a strong concern about the mission, values, vision, and with particular care in the results, looking for leadership development, focusing on people, business and the search for sustainability and for this they need a lot the tools used in profit organizations. These tools should be adapted to organizational contexts as we shall see that the NPO have some specific aspects that can not be ignored.

For Drucker (Drucker,1994) NPO need to learn to use the new concepts of management in order to survive in today's society and thus achieve its mission. However, most of the concepts and tools were originally developed to meet the needs of businesses and little attention has been given to the distinctive characteristics and needs of NPO: its mission, which distinguishes it from both the business and the state, the strategies needed to marketing their services and the necessary resources to carry out its tasks, the challenge of introducing innovations in organizations that rely on volunteers, the management of its performance, among others.



It seems that the Project Q3 has sought to address these concerns and therein lies largely in the interest and motivation that organizations seek in this program.

The complexity involved in non-profit sector organization can come from such diverse topics as: the diversity of stakeholders, the difficulty in obtaining resources, organizational structure should include volunteer work. As you increase the complexity of dealing with these organizations is natural to resort to the instruments and tools that management provides.

There is still no conclusive descriptions on the use of management practices in NPO in Portugal, but Lewis (Lewis, 2001), referring to the international context, reports similar trends: some organizations express reluctance to adopt management practices while others adopt management solutions that emerged in the private sector. The reluctance is due to different arguments: an organizational culture focused on the action, the resources should be spent on supporting those in need, and not to fund indirect administrative costs; ideological position that management is something used by private sector organizations that have purposes very different from NPO.

In a PhD work in progress literature research conducted allowed presenting an adapted management model for the third sector. Despite the occasional reluctance NPO leaders have several concerns in common with the state and enterprises. According with a model adapted from Tachizawa (Tachizawa, 2002), that proposes a management model for NPO similar to the models applied to companies; the organization must be viewed as a macro-processing of various inputs of resources into products and services. His proposed management model can be seen in Figure 1.

The management model (Fig. 1) represents the organization and its own context, environmental variables and interacting with their different audiences to meet their expectations and needs. The workforce is composed of a minimum of permanent staff, with a contractual relationship, and the other elements (volunteers, interns or partnerships with other NPO) may vary depending on the volume of activity and demand for social projects.

In the area of financial management, this model places emphasis on obtaining the funds needed to carry out the NPO social projects. The management indicators are needed to improve the monitoring and evaluation as well as to monitor the activities related to the organization.

Despite the conceptual similarity there are several aspects that differentiate the management in NPO. Some of these aspects such as financial sustainability and scarcity of technical support can be configured as restrictive to the development of the sector as stated by Fischer and Falconer (1998). In addition, we add the fact that these organizations can make intensive use of volunteering as a strategic resource for its functioning and development.



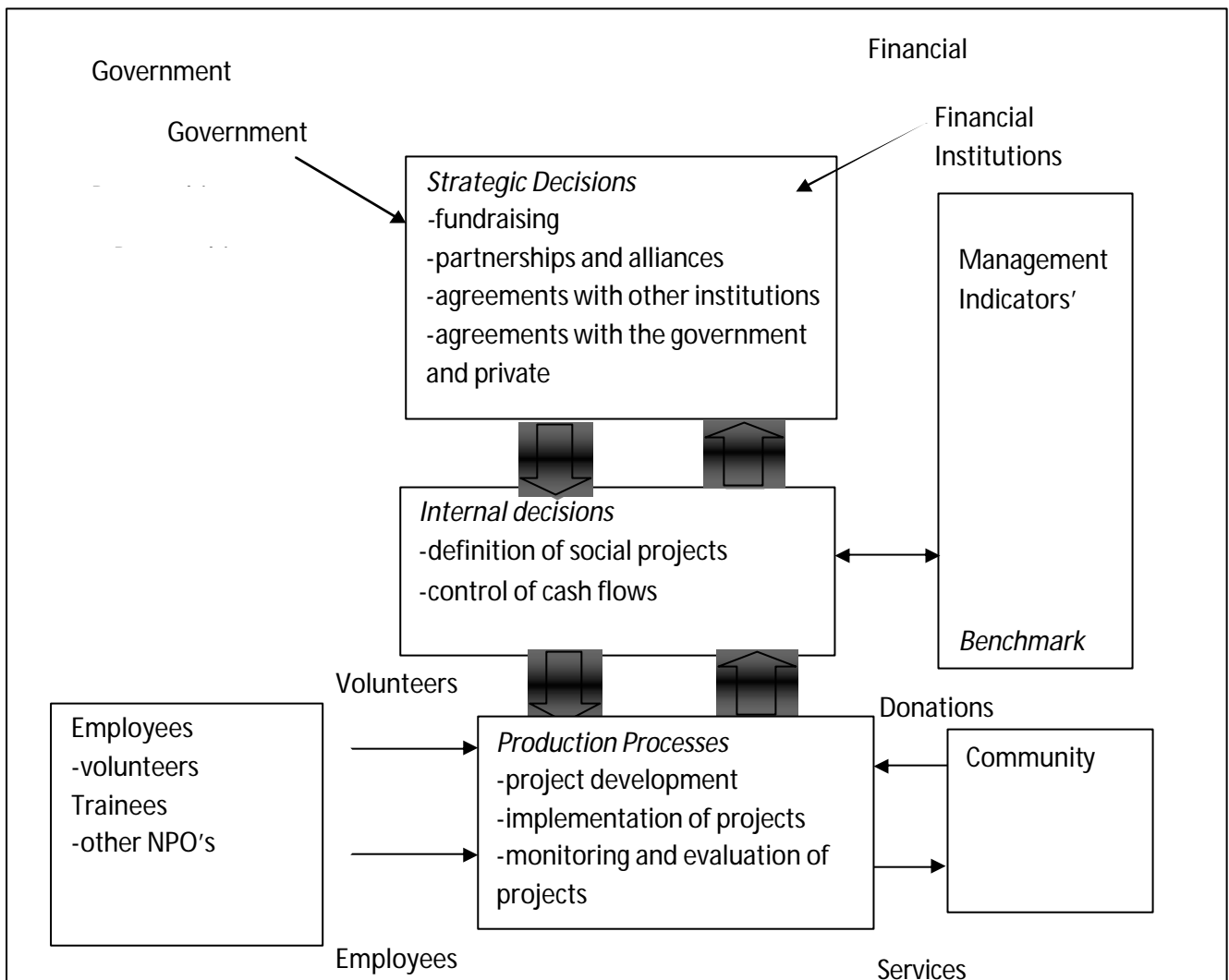


Figure 1 – Management model proposed for the third sector institutions
Source: Adaptado Tachizawa (2002)

Anthony (Anthony, 1977) highlights as fundamental difference the mission of these organizations. While companies have their success measured by profit generated (sales, margins, market shares etc..), The NPO exist to provide a service and its success is largely measured by how well they can do it. For this author, some of the causes of the problems of managing NPO are:

- Lack of measures for having profit: prevents managers assess the impact of their decisions on the final result of the organization;
- Lack of competition: the private sector competes for customers - in the third sector, a customer more is not seen as an opportunity but as a problem;
- Politics: leads managers to make decisions based on criteria other than efficiency and effectiveness of the organization, based in return for favours, personal interest or vanity;



- Weak Boards: result of inappropriate criteria for choosing its board members and affect the organization's ability to evaluate and decide;

Some of the characteristics and peculiarities in NPO identified and associated with its management process are:

- The mission, delimitation of activities, setting objectives and targets and evaluation of results are not always clearly stated and understood by all;

- Lack of strategic planning and the desire to serve the community tends to generate many projects, issues of time management and staff, and difficulties in evaluating the results;

- Strategic planning, when there tends to be constrained by funding sources;

- The motivation to work is not linked to goals of effectiveness or efficiency, but the ideals shared by its members;

- Although there is strong commitment to work, there are rarely objective data for performance evaluation;

- The evaluation is also hampered by the qualitative characteristics and of non-tradable activities;

- Organizations tend to be characterized by informality and lack of definition of responsibilities, which increases agility, but increases the complexity of the management process.

However, the Social Economy Movement developed innovative management tools specific for this sector that are based on the Social Economy's quality principles.

3.2. Quality issues in the Social Economy which are relevant for training and qualification

Quality in the Social Economy affects the issues of:

- education and training,
- management of social and community enterprises,
- asset building and resourcing,
- key values and structures,
- environmental responsibilities,
- financial instruments,
- social auditing and evaluation,
- partnerships with other sectors

These issues should be oriented towards the key values of:



- (a) Cooperation
- (b) Based on Needs and Capabilities
- (c) Democracy (in the economic sense)
- (d) Socially useful
- (e) Decentralized organization
- (f) Reproduction / Sustainability
- (g) Holistic approaches
- (h) Re-integration / Inclusion
- (i) Good working conditions
- (k) Diversity

There are a lot of management and auditing systems for which social economy entities can qualify: e.g.

1. SA 8000 (often used for certifying training)
2. ISO 9000/2000ff: (derived from industrial production)
3. CQAF (a 'Common Quality Assurance Framework'), developed by the EU for VET in Europe
4. EFQM (European Foundation for Quality Management) developed to improve excellence and competitiveness of for-private-profit-businesses
5. EMAS (Eco-Audit)

But particularly social enterprises need to display and record on their social outputs and impact. There are two prominent methodologies developed for this sector: The Social Return on Investment (SROI) which is monetizing the impacts of the social enterprises', and the social accounting and auditing technique (SAA) which is mainly monitoring and evaluating in a narrative manner.

3.3. Certification

European Quality in Social Services (EQUASS) is an initiative of the European Platform for Rehabilitation (EPR). This certification programme is complementary to existing quality





certification programmes at national level Is a certification programme for quality assurance and quality control in social services at a European level

3.4. Q3.eu Project Partnership’s Outcomes on Quality and Certification

3.4.1. Structured Democratic Dialogue Process

3.4.1.1. Methodology - Structured Dialogic Design Process

The term “Structured Dialogue” is sometimes used to simply denote a dialogue more organised than the simple “talking” and exchange of ideas. In contrast the Structured Dialogic Design1 (SDDSM)) process is a methodology, which supports the generation of truly democratic and structured dialogue amongst teams of stakeholders with diverse views and perspectives. It is particularly effective in the resolution of complex conflicts, interests, and values, and in achieving consensus based on a common understanding and strategy. It is grounded on 6 complex systems and cybernetics axioms and 7 laws from systems science; it has been grounded both scientifically and empirically in hundreds of settings on a global scale for the past 30 years. Scientists and practitioners worldwide are guided by the Institute of 21st Century Agoras.

The Cyprus team has extensive experience in the application of the methodology. They have utilized it in many public debates in order to facilitate organizational and societal change. For example, they have utilized it in many European networks of experts. The COST219ter3 is a network of scientists from 20 countries (18 European, the USA, and Australia) who were interested in exploring the question of how new technologies ambient intelligence and next generation networks can make their services more useful to people with special needs. The COST2984 network also aims to make broadband technologies more accessible to the wider public. The scientific communities of Cost219ter and Cost298 utilized SDD in order to outline the obstacles, which inhibit the application of the above technologies on a wider scale. Based on the results of the SDDs, they designed corresponding strategies for the next 3 years. Insafe5 is a European network of 27 Safer Internet Centers who used SDDs in many meetings in order to identify the inhibitors, produce a vision of the future, and agree on a plan of action. More information is available on the CyberEthic s Cyprus Safer Internet website.

The UCYVROK7 network utilized SDDSM in order to determine the reasons for which young people in Europe do not participate in European programs. The results were presented to the European Parliament. The SDDSM methodology was also used in order to ease the dialogue between Greek-Cypriots and Turkish-Cypriots since 1994. This dialogue culminated in the creation





of a peace movement. Many reports are still being utilized by the network, and are available on the program's page⁸.

SDDSM was designed especially so that it can assist non-homogenous groups in tackling complex problems within a reasonable and restricted time frame. It facilitates the annexation of contributions by individuals with vastly different views, contexts, and aspirations, through a process that is structured, conclusive, and the product of cooperation.

A team of participants, who are knowledgeable of a particular situation, generate together a common outline of ideas based on a common understanding of the current problematic situation and a future ideal one. SDDSM promotes the focused communication between participants and supports their ownership of the solution as well as their actions towards implementing it.

3.4.1.2. Structure and Process of a typical co-lab SDDP

When facing any complex problem the stakeholders can ideally approach it in the following way:

1. Develop a shared vision of an ideal future situation. This ideal *vision map* serves as a *magnet* to help the social system transcend into its future state.
2. Define the *problematique*, also known as the wall of inhibitors i.e., develop a common and shared understanding of what are the obstacles that prevent the stakeholders' system from reaching its ideal state.
3. Define *actions/options* and produce a roadmap to achieve the goals.

The three phases are implemented using exactly the same dialogue technique. Each phase leads to similar products:

1. A *list* of all ideas and their clarifications [SDDSM is a self-documenting process].
2. A *cluster* of all ideas categorized according to their common attributes [using a bottom-up approach].
3. A document with the *voting results* in which participants are asked to choose ideas they consider most important [erroneous priority effect = most popular ideas do not prove to be the most influential!]
4. A *map* of influences. This is the most important product of the methodology. Ideas are

related according to the influence they exert on each other. If we are dealing with problems, then the





most influential ideas are the *root causes*. Addressing those will be most efficient. If we deal with factors that describe a future ideal state, then working on the most influential factors means that achieving the final goal will be easier/faster/more economic, etc.

In the following, the process of a typical SDDSM session, with its phases, is described in more detail.

First The breadth of the dialogue is constrained and sharpened with the help of a **Triggering Question**. This is formulated by a core group of people, who are the Knowledge Management Team (KMT) and is composed by the owners of the complex problem and SDDSM experts. This question can be emailed to all participants, who are requested to respond with at least three contributions before the meeting either through email or wikis.

Second All contributions/responses to the triggering question are recorded in the *Cogniscope IITM* software. They must be short and concise: one idea in one sentence! The authors may clarify their ideas in a few additional sentences.

Third The ideas are clustered into categories based on similarities and common attributes. If time is short, a smaller team can do this process to reduce time (e.g., between plenary sessions).

Fourth All participants get five votes and are asked to choose ideas that are most important to them. Only ideas that receive votes go to the next and most important phase.

Fifth In this phase, participants are asked to explore influences of one idea on another. They are asked to *decide whether solving one problem will make solving another problem easier*. If the answer is a great majority an influence is established on the map of ideas. The way to read that influence is that items at the bottom are root causes (if what is being discussed are obstacles), or most influential factors (if what is being discussed are descriptors of an ideal situation or actions to take). Those root factors must be given priority.

Sixth Using the root factors, stakeholders develop an efficient strategy and come up with a road map to implement it.

3.4.2. Q3 Model Qualification Process

We reproduce here the focal points of FENACERCI's presentation regarding qualification process in the third sector in Portugal, disseminated during the first partnership Berlin meeting in June 2012.

When referring to quality in third sector, that's a double meaning:

1) Quality = satisfaction of clients expectations, needs and law assurance





2) Quality = standards that regulate quality management systems and certification

It implies having clients and stakeholders involvement + continuous improvement/training. Quality standards and training = Quality services, better social image, continuous valorisation of human resources

This is important due to expectations for improving services provision quality; volunteer workforces; historical lack of management expertise; organizational economic sustainability; high rate of economic governmental dependence; official quality standards for providing services.

Answer to address main third sector problems:

- Leadership
- Human Resources Management
- Financial Management
- Fundraising
- Strategic planning
- Internal and external communication strategies
- Facilities and equipments
- Organisational management processes

Answer to address main third sector future challenges:

- Raise public awareness regarding this sector;
- Strengthen legal framework;
- Strengthen civil society abilities/social capital;
- Strengthen Government and SE organizations relationships

It's broadly stated that social services are by their nature, a sector of economic activity where the intervention of the governments and public policies, are important.

This has more weight in the sub-field of social action - support for particularly vulnerable groups (children, youth, elderly, persons with disabilities, sick).

Some facts :





- these services have proved to be an interesting possibility to solve some problems, especially in terms of employment and insertion in the labour market of groups with integration difficulties
- The actual growth of concerns about the quality of life and changes in lifestyles, have gave rise to new needs and increased demand for social services, collective and social proximity.
- Social policies have favored the intervention on the offer;
- Services may have public support, private or mixed. However, public support in Portugal prevails, particularly for Private Institutions of Social Solidarity and all other entities that have a cooperation agreement with social security and developing integrated activities in social policy, including support services to families and support the social groups targeted by social exclusion.
- The funding sources are usually the reimbursement of Education and Social Security, addressed the specific valences, and programs to support social integration, among which stand out, especially those developed within the scope of Community Support Programs.

The Portuguese Social Security Quality Management standards refer the need to “*guarantee citizens access to quality services required to meet their needs and expectations is a challenge that requires the involvement and commitment of all stakeholders.*”

In this context and the purpose of providing a reference standard to assess the quality of services and consequently positively differentiate the Social Responses, the National Social Solidarity Institute developed models for Quality Assessment of Social Responses applicable to:

- Residential Units;
- Occupational Activities Centre/Day Centre;
- Children and Youth Home;
- Temporary Shelters;
- Residential Structures for Elderly,
- Kindergarden
- Home Support Services.





The European Quality in Social Services (EQUASS) is an initiative of the European Platform for Rehabilitation (EPR), provides a range of comprehensive services in the area of approval and certification of quality, all of which comply with the European requirements for quality in the provision of Social Services. It has been applied in Portugal on the context of several organizations.

The certification programmes are complementary to existing quality certification programmes at the national level and are overseen by an independent International Awarding Committee that includes representatives from key European stakeholders.

EQUASS Assurance is a certification programme for quality assurance and quality control in social services.

It enables social service providers to engage in an external independent certification process at a European level by which they assure quality of their services to service users and other stakeholders.

The EQUASS Assurance certification programme is characterised by the 50 criteria based on the voluntary European Quality Framework for social services.

The criteria cover essential elements of a Quality Management System (QMS) applicable in social services.

The application is based on an internal audit through a questionnaire approach.

An independent and qualified auditor carries out the external audit in a two-day site visit.

The EQUASS Assurance certification programme is customised for the social sector and offers a comprehensive approach based on quality criteria and performance indicators for internal and external audit procedures.

A social service provider that meets the EQUASS Assurance criteria will be certified for a two-year period.

An international Awarding Committee oversees the certification process.

The EQUASS Assurance certification programme underwent a comprehensive updating process in 2011 and was launched in January 2012.

The Local License Holder is Portuguese Association for Quality (APQ). APQ is a membership based non-profit organization, founded in 1969. APQ is recognized as the leading non-governmental institution on the Portuguese quality movement.





It has about 2200 members, covering organizations from various sectors and dimensions, public and private, and a wide number of auditors, consultants and quality managers.

APQ is authorized to operate EQUASS Assurance certification programme in Portugal.

Others in: Germany, Norway, Slovenia, Lithuania and Estonia

ESF and public grants for qualification and Certification :

ARQUIMEDES Program, is a Program developed between 2008/2013 for providing Training and Quality Certification in Impairments and Disability Social Services providers in Portugal.

Has been funded by European Social Fund, under Quality of Services and Organizations (tipologia 6.4) of POPH (Programa Operacional Potencial Humano). Consultancy actions are included in the process aimed at giving a quality certification to organizations working within the rehabilitation area.

The QMS - Quality Management System (ISO 9001:2008) enables organizations to put more emphasis on processes in logic of power to ensure their competitiveness. The QMS - Quality Management System is a tool that brings the standardization of processes and control over them, the efficiency measures and verifies the effectiveness of actions taken, with specific focus on customer satisfaction and continuous improvement processes.

The principles of quality management are:

3. Customer Focus
4. Lead
5. Involvement of people
6. Process Approach
7. Approach to Management as a System
8. Continuous Improvement
9. Decisions based on facts
10. Mutually beneficial relationships with suppliers





11. Training service providers certification

Formerly known as Accreditation System of training bodies, was established in 1997 and its main objectives, to promote: raising the quality of training • professionalization of training interventions the credibility of the training bodies and training system in general

3.4.3. Workshop on Certification for the third sector and the social economy: “The case for the social audit”

Technologie-Netzwerk Berlin is a social enterprise, existing since the early 80s. We carry out social audits since the 2000, inspired by the social auditing approach of the Social Audit Network (SAN) by Community Business Network Scotland (CBSN). Up till now, we accompanied 12 social accountings in social enterprises and we certified additional 5 so far. We are accredited social auditors within the Social Audit Network Ltd framework.

Social Auditing can be used for private sector, and public sector organisations, and for organisations / enterprises in the third sector.

- Social enterprises not only have to declare their economic performance but also have to account for their social function. The social audit therefore is often displayed together with the financial accounts / balance sheet
- Mainly Shareholders and other Stakeholders are interested in the social audit findings / social audit report

3.4.4. What is the Social Audit?

Social Accounting and Auditing is a procedure in which the organization

- reports / accounts on its activities and performance
- is evaluated
- can improve its performance.

The final aim is to identify and strengthen the social benefit / surplus which is achieved through the activities of the organisation: Motto: *„Prove and Improve!“*

- It is based on diverse experiences of the Social Economy in Europe (Commonwealth: social audit, France: bilan sociétal, Italy: bilancio sociale),





- It is an inter-subjective but objectifying measure, i.e. in dialogue with the stakeholders, the social reporting is developed and finally evaluated (method of monitoring, controlling and evaluating the social performance)

It is a process of 3 phases...

Its Elements are:

- Social Bookkeeping;
- Collection and description of qualitative and quantitative information for the report;
- Social Reporting (social accounting);
- Analysis and interpretation of the performance in relation to the social aims of the enterprise / organization;
- and Social Audit (Certification);
- Revision and / or confirmation of the social report;
- Issuing the certificate

The 5 steps of the social auditing and accounting are the following:

1. Introduction to the methodology of social bookkeeping, social accounting and audit (Workshop)
2. Determination of mission, values, and aims, of key stakeholders, and range of the social auditing
3. Social bookkeeping
4. Production of report
5. Audit / certification

The Principles of correct Social Auditing are:

- **Multi-perspective (poly-vocal):** The views of all stakeholders are to be asked.
- **Comprehensive:** All relevant information of the whole enterprise is collected.
- **Regularly:** The accounting and auditing should take place each year.



- **Comparative:** The report should be comparable with the former reports.
- **To be proved:** All facts in the report need a proven record (files, interviews, etc).
- **Published:** The Social Audit Report should be communicated to the whole public.

We recommend doing the social auditing procedure each year, so that the progress in achieving the social aims can be measured and documented.

The social bookkeeping and accounting normally takes more time in the first year, because in the following years one can build on the information systems already developed, and more routine comes in.

Social Auditing is particularly for small, particularly for social enterprises an advantage because it is a flexible and cost effective instrument for a management strategy.

Because of its flexibility, other quality management systems can be embedded (ISO 9000:2008, EMAS – Eco Audit, etc.)

Besides the social accounting and auditing practices used in all Commonwealth countries (including New Zealand / Australia, India, and South Africa), there are other reporting and auditing methods very similar to them:

- the bilancio sociale (example of Italy) or
- the Ethical accounting (example of Scandinavian countries).

Though the monetizing of added values may be interesting for social investors in the non-profit-sector, social (not-for-private-profit) enterprises prefer the social accounting and auditing to display to all their stakeholders their performance and to improve it by developing an action plan at the end of each audit year.

3.5. Evidences Gathered

Quality⁴ of learning in the Social Economy should include the issues of:

- education and training,
- management of social and community enterprises,

⁴ Quality: qualitas (lat): At first means just the nature, character or composition of a thing. In my view, you have to determine it first before you try to assess its quality.



- asset building and resourcing,
- key values and structures,
- environmental responsibilities,
- financial instruments,
- social auditing and evaluation,
- partnerships with other sectors

The didactics of education and training should be oriented towards the key values of

a. Cooperation

Cooperation is the stimulus for performance: it is the foundation of our economic activity.

Working in a cooperative context generates synergetic effects, which have positive consequences as a specific productive force of the social economy sector.

b. Needs and Capabilities

The needs and capabilities of the population stand at the center of the economic activity, whether it is a particular social group and the local population in general. The needs or the starting point of economic activity. The un- or under-utilized resources in that locality are put to work.

c. Democracy in the economic sense

The right of active participation in decision-making processes and use of resources is guaranteed.

The capability for such active participation must be built up and secured.

d. Socially useful in the economic sense

Value is created with the goal of community control over the economic results. Community, and not private/individual, appropriation of returns is the central principle of distribution.

e. Decentralized organization

Decisions are made on the lowest possible level (subsidiarity). The goal is small-scale economic structures which can be easily comprehended and which orientate themselves towards local and/or regional conditions. The local starting points, or subjects of the economic activity can be



- the locality or district as an administrative unit
- a local community or neighbourhood
- a community of interest of unemployed people and other marginalized groups in the population such as disabled individuals, social welfare recipients, single parents, and so on.

f. Reproduction

Maintaining the reproductive capacities of human beings, nature and culture: long-term, sustainable structures which can benefit human reproductive conditions in the sense of a subsistence economy are the objective.

g. Holistic approaches

The social economy is concerned to apply a holistic approach in the sense of the re-integration of formerly divided areas of life. The goal is the overcoming of the split between the structures of economic, social, ecological and cultural activity.

h. Re-integration

A compensatory balance for disabilities via the re-integration of people into social-economic process. In this way, marginalization is reversed and social cohesion in the community regenerated. Equality of status is our ambition: equality of opportunity can only provisionally serve this purpose and only if the various starting conditions under which individuals begin to be active are taken into account.

i. Good working conditions

Health and job satisfaction are the first criteria on the basis of which the quality of the work will be judged. One pre-condition for this is the utilization of appropriately designed technology. We can also include not only a proper income under this rubric, but also social security aspects and, in general terms, the possibility of and support for developing one's capabilities in a work situation.

j. Diversity





The maintaining and re-vitalization of natural, social and cultural diversity in opposition to the general tendency in society to standardize everything represents, in view of the different needs on the ground of the various target groups, a key issue.

(Source: BIRKHÖLZER et al 1997: Key values and structures of Social Enterprises in Western Europe. Technologie-Netzwerk Berlin)

The assessment criteria for the methodologies of training should be adapted to the needs of the training. Accordingly to the subjects and the organisations and learners, these may be:

- Formal,
- Informal or
- Non-formal

The assessment of training therefore may be very different, and certificates may reflect totally different types and products of training.

4. CONCLUSIONS

The third sector in Europe, according to the partnership countries' vision and the experience and in accordance with European agenda contents, is a segment of the social and economic dynamics that faces great challenges. The external challenge, with a context each day more and much complex needs and the internal challenge, about constructing new competences and working models.

These challenges created the need for new spaces of collaboration, learning and sharing, making essential to develop networking and promote an European framework of discussion.

The Q3.eu project tried to identify and exchange 3rd Sector qualification experiences at the European level, involving partners whose experience may create an added value towards the deepness and improvement of 3rd Sector qualification initiatives.

During the project life time main discussion topics were: conceptual and legal frameworks, financing and training models, successful practices, evaluation methods, competences recognition and other major results, generating a new cycle of creativity, learning, networking and innovation.



Focused on the sustainability at the third sector organizations, the share of experiences tried to identify innovative solutions and practices for management and working models. The partners share and meet new methodologies (SDDP, Nicosia; Social Auditing, Germany; Q3 Model, Portugal).

The Nicosia Meeting, in November 2012, was an important moment in this project's lifetime. Through a brainstorming session based on SDDP methodology partnership assessed perspectives and trends regarding the third sector in general terms.

Partners participated in a Structured Democratic Dialogue Process co-laboratory (SDDP), facilitated by Yiannis Laouris (Chair of the Board of CNTI), designed to obtain the collective knowledge and give concrete answers to the pre-agreed Triggering Question (TQ): **“What are the important characteristics that would assist a social economy enterprise to achieve its mission in a sustainable way?”**

The process was developed on the following phases.

Phase 1- Each participant reflected and together the group produced a set of ideas. Produced 34 ideas, as follows:

1. *Look at regular enterprises as potential customers to sell our expertise in social solutions/economy to them*
2. *Give special training to Social Economy trainers and consultants*
3. *Competence to 'read' the context and adapt*
4. *Be close to clients*
5. *Develop a special social enterprise plan*
6. *Implement social management*
7. *Linked to local businesses economy through the CSR initiatives*
8. *Be context sensitive*
9. *Efficiency in operations in terms of social capital and life-standard improvements*
10. *Better linking between social enterprises*
11. *Financial management competences enhanced*
12. *Improve quality of Social Economy services and management procedures*
13. *A special framework for the board management*
14. *Integrate networks*
15. *Carry out a local deficit- and resource analysis*



16. *Implement social marketing*
17. *Make lobby with political power*
18. *Be well-linked to the community*
19. *Community participation*
20. *Coherence of actions among Social Enterprises*
21. *Awareness on social economy importance being raised in society- communities*
22. *Innovate on Social Economy*
23. *Efficient marketing and communication practices*
24. *To have qualified and mobilized teams*
25. *Develop resource- and development agencies*
26. *Build and use social capital*
27. *Increase network partnerships*
28. *Be-learning and innovation oriented*
29. *Clear community commitment*
30. *Continuous research in social market for opportunities*
31. *Use popular planning methods*
32. *Social accounting and auditing*
33. *Attract and train committed volunteers*
34. *Financing through a mix of resources*

Phase 2 - The partners proceeded by defining their ideas in more concrete terms.

Some examples are:

<p>Idea 2: <i>Give special training to Social Economy trainers and consultants</i></p>	<p>Definition: <i>There aren't many professionals with previous experience on SE. When they start working in SE organizations, mostly they come with experience build in enterprises (which is no necessarily bad). Thus is necessary to give these professionals special and focused competences on SE most relevant characteristics, facts and on adapted methodologies to qualify these organizations.</i></p>
<p>Idea 34: <i>Financing through a mix of</i></p>	<p>Definition: <i>to achieve a mix of income resources, incl. purchasing power, public sector contracts, and contracts with private sector companies; incl. also the use of the resource volunteer work, but in mutuality, LET Schemes,</i></p>



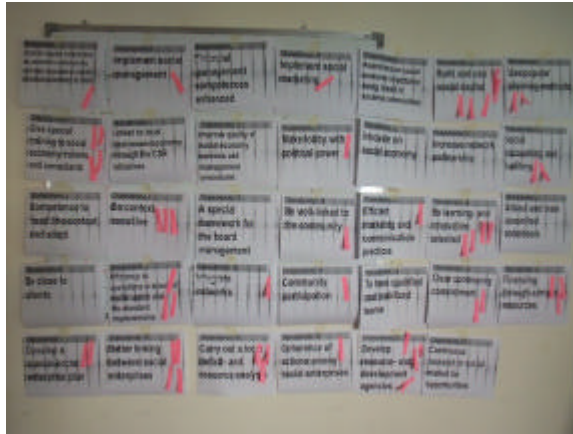


<i>resources</i>	<i>bartering, and even the founding of social banks and mutual guarantee of loans.</i>
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Phase 3 – Choose the five more important factors



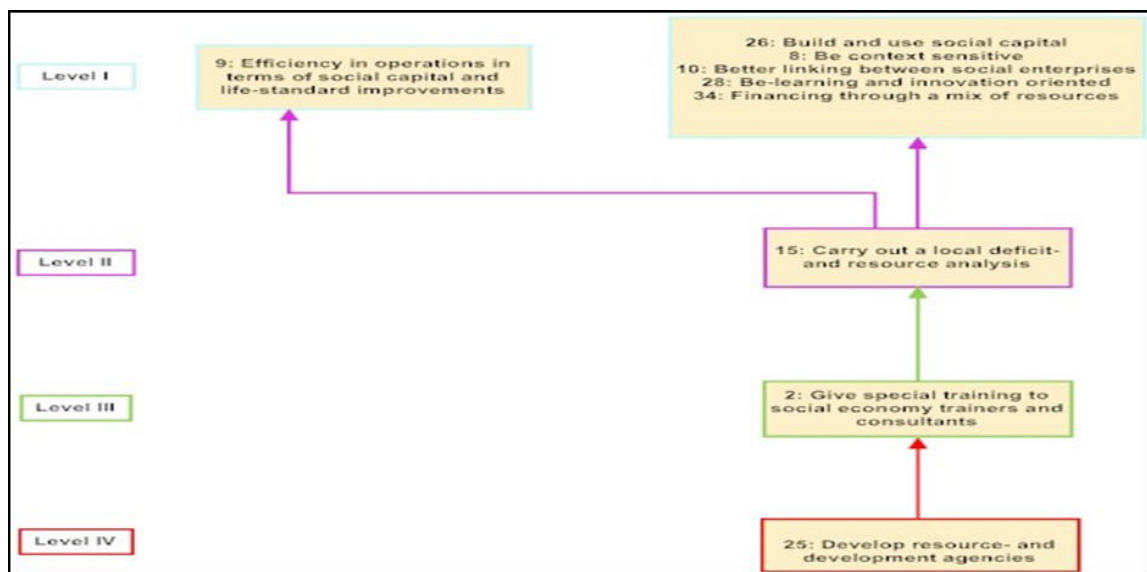
After having generated and clarified the ideas, each participant chose five factors that they thought were the most important for the future and from which collaborative projects could be designed. The votes can be observed in the picture below and were as follows.

<p>(5 Votes)</p> <p>26: <i>Build and use social capital</i></p>	<p>(2 Votes)</p> <p>5: <i>Develop a special social enterprise plan</i></p> <p>29: <i>Clear community commitment</i></p> <p>31: <i>Use popular planning methods</i></p> <p>32: <i>Social accounting and auditing</i></p>
<p>(4 Votes)</p> <p>2: <i>Give special training to social economy trainers and consultants</i></p> <p>10: <i>Better linking between social enterprises</i></p> <p>25: <i>Develop resource- and development agencies</i></p> <p>28: <i>Be-learning and innovation oriented</i></p>	<p>(1 Votes)</p> <p>1: <i>Look at regular enterprises as potential customers to sell our expertise in social solutions/economy to them</i></p> <p>6: <i>Implement social management</i></p> <p>14: <i>Integrate networks</i></p> <p>16: <i>Implement social marketing</i></p> <p>17: <i>Make lobby with political power</i></p> <p>18: <i>Be well-linked to the community</i></p> <p>19: <i>Community participation</i></p> <p>20: <i>Coherence of actions among social enterprises</i></p> <p>23: <i>Efficient marketing and communication practices</i></p>
<p>(3 Votes)</p> <p>8: <i>Be context sensitive</i></p> <p>9: <i>Efficiency in operations in terms of social capital and life-standard improvements</i></p> <p>15: <i>Carry out a local deficit- and resource analysis</i></p> <p>34: <i>Financing through a mix of resources</i></p>	



As a result, 22 out of the 34 Ideas received at least 1 vote and 9 received 3 votes and above.

The root cause map below can be read from bottom up, showing at the bottom the ideas that have strong leverage inhibitors, in other words the more influential ones, that will make the remaining ideas easier to achieve, and at the top the symptomatic inhibitors.



Summarizing, during the Nicosia workshop, with the Structured Democratic Dialogue Process (SDDP), participants have brainstormed ideas for developing and bring sustainability to SEE in Europe. Regarding to the Triggering Question, the participants tried to identify important characteristics which would assist SE achieve their mission in a sustainable way. All participants contributed their ideas on possible future project orientation strategy. Partners agreed that there should be a shared Vision amongst SEEs.



As result of this process, we can outline the following:

1. The most influential challenges for the SE to achieve its mission in a sustainable:

- Idea 25: *Develop resource- and development agencies*
- Idea 2: *Give special training to social economy trainers and consultants*
- Idea 15: *Carry out a local deficit and resource analysis*
- Idea 26: *Built and use social capital*
- Idea 8: *Be context sensitive*
- Idea 10: *Better linking between social enterprises*
- Idea 28: *Be-learning and innovation oriented*
- Idea 34: *Financing through a mix of resources*
- Idea 9: *Efficiency in operation in terms of social capital and life-standard improvements.*

This short-list of ideas compose the vision of the partnership for a sustainable SE in the present context and will support further efforts for collaboration.

2. We need to PROVE and IMPROVE

It is necessary develop a strategy to PROVE and IMPROVE the role and value of Social Enterprises, having in mind that:

- Accreditation of Qualification should be more structured in Europe
- Share common practices
- Visibility
- Social economy accounting and auditing on Social auditing
- Social management for SEEs.

3. There are two main problems: Training and Qualification/Certification



About training this partnership has a common vision about the training needs on the sector: in a macro approach third sector framework should be considered and in a micro approach addressing the organizations specific needs on: strategic planning and management; organizational models, organizational planning, improving the performance, efficiency, operation and internal communication; employee performance, through the development of technical skills (project management, ICT, foreign languages), better time management and teamwork; leadership and management of internal conflicts, external communications, social marketing, benchmarking, fundraising and HR qualification.

About quality and certification Quality of learning in the Social Economy should include the issues of education and training; management of social and community enterprises; asset building and resourcing; key values and structures; environmental responsibilities; financial instruments; social auditing and evaluation; partnerships with other sectors.

The didactics of education and training should be oriented towards the key values of *Cooperation, needs and Capabilities; Democracy in the economic sense; Socially useful in the economic sense; Decentralized organization; Reproduction; Holistic approaches; Re-integration; Good working conditions; Diversity*

Its clear that social innovation is supported by collaboration.

Its emergent to generate a new circle of creativity, learning and innovation, enlarging the network of European partners, for the development of new projects and qualification tools, that results in an effective sustainable way for the third sector.





5. PARTNERSHIP POSITION STATEMENT

As an attempt to summarize the main issues of our work, we developed 5 positions on which we will work in the future:

Common ideas at EU level from all our different situations

Whereas the experiences in our different countries are varying significantly, we face common problems in our work that are also common with third sector / social economy organisations in the whole EU. The actual Social Business Initiative, launched by the European Commission, reflects these issues and developed some proposals to tackle them.

Sustainability (managing skills and profit production) of social economy organizations

The sustainability of third sector organizations, their possible transformation into social enterprises, and their necessities, including a mix of finance, staff and supply, is vital for their survival. The debate around these issues should be followed up and disseminated in a broader public.

Not for profit distribution: social profit for everyone

The above applies particularly to third sector welfare organizations because they often are highly dependent on state income. How they can cover their costs and how they distribute their profits, should be part of the debate. One option is the transformation into social enterprises / social co-operatives.

Alternative management skills are needed for the SE

Although traditional administration skills like financial book-keeping etc are important, alternative skills like social management, social marketing and social auditing are crucial for the survival of third sector / social economy entities.

Common values, democratic decision making, and social capital

Since third sector / social economy entities are value-based and founded on community needs, the visibility and compatibility of their mission, values and aims are important. Here, a clear statement on how decisions are made together with the stakeholders, is particularly of interest. Industrial democracy and social capital building are as much important as other managerial strategies.





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